

Beirut Area Again Hit By Shells

Druze and Army In Heavy Clashes Around Village

By Thomas L. Friedman
New York Times Service

BEIRUT — Ten days after the Geneva reconciliation talks between Lebanon's factional leaders, the security situation around Beirut is again beginning to deteriorate and disputes are arising over some of the political issues that were supposed to have been solved during the Geneva dialogue.

For the second day in a row Monday, heavy clashes broke out between the Lebanese Army and Druze-led anti-government militia around the mountain village of Souk al-Gharb, the state-run Beirut radio reported.

The fighting also spilled over for the second day into Christian East Beirut, where two artillery salvos exploded, one in a car showroom and another near a gas station, the radio said. One man was killed and another wounded by the shelling.

The latest fighting has formed the backdrop for the first full day in Beirut of the new U.S. special Middle East envoy, Donald H. Rumsfeld. The American diplomat arrived in the Lebanese capital Sunday evening and met with President Amin Gemayel. He held talks Monday with Prime Minister Shafiq al-Wazzan and other officials.

Beirut radio said Mr. Rumsfeld conveyed President Ronald Reagan's continued backing for Lebanese government efforts to secure a withdrawal of all foreign forces.

Meanwhile, Syrian government sources in Damascus confirmed Monday that President Hafez al-Assad was taken to the hospital Sunday night and had a successful operation for appendicitis. The illness forced him to cancel the meeting he had scheduled Monday with Mr. Gemayel.

The increase in violence around the Lebanese capital appears to be washing out the little progress toward national reconciliation that was made during the Geneva talks, now adjourned. Pierre Gemayel, the leader of the Christian Phalangist Party, indicated in an interview on Sunday that Lebanon's Maronite Christians did not intend to relinquish any of their privileges, such as a specified number of seats in parliament and the holding of senior government offices.

6 Israelis Held in Tripoli
As negotiations to end the violent Palestinian confrontation in Tripoli continued Sunday, Mr. Arafat disclosed that his forces have been holding six captured Israeli soldiers in the area that has been under artillery fire for the last 11 days. The New York Times reported from Tripoli.

Mr. Arafat said one of the Israeli prisoners became hysterical during the shelling and that the six men were then moved "to another place that is more safe." He did not say where the Israeli soldiers, who were taken prisoner 14 months ago in eastern Lebanon, were being held.

Silence on Retaliation
U.S. Secretary of State George P. Shultz said Monday that the administration had decided against any more talk about retaliating for the attack that killed 239 marines in Lebanon three weeks ago. The Associated Press reported from Washington. But another State Department official, who insisted on anonymity, said Mr. Shultz was "not ruling anything out."

"It is just a decision on the part of the administration that we are not going to discuss that subject anymore," Mr. Shultz said in a television appearance.

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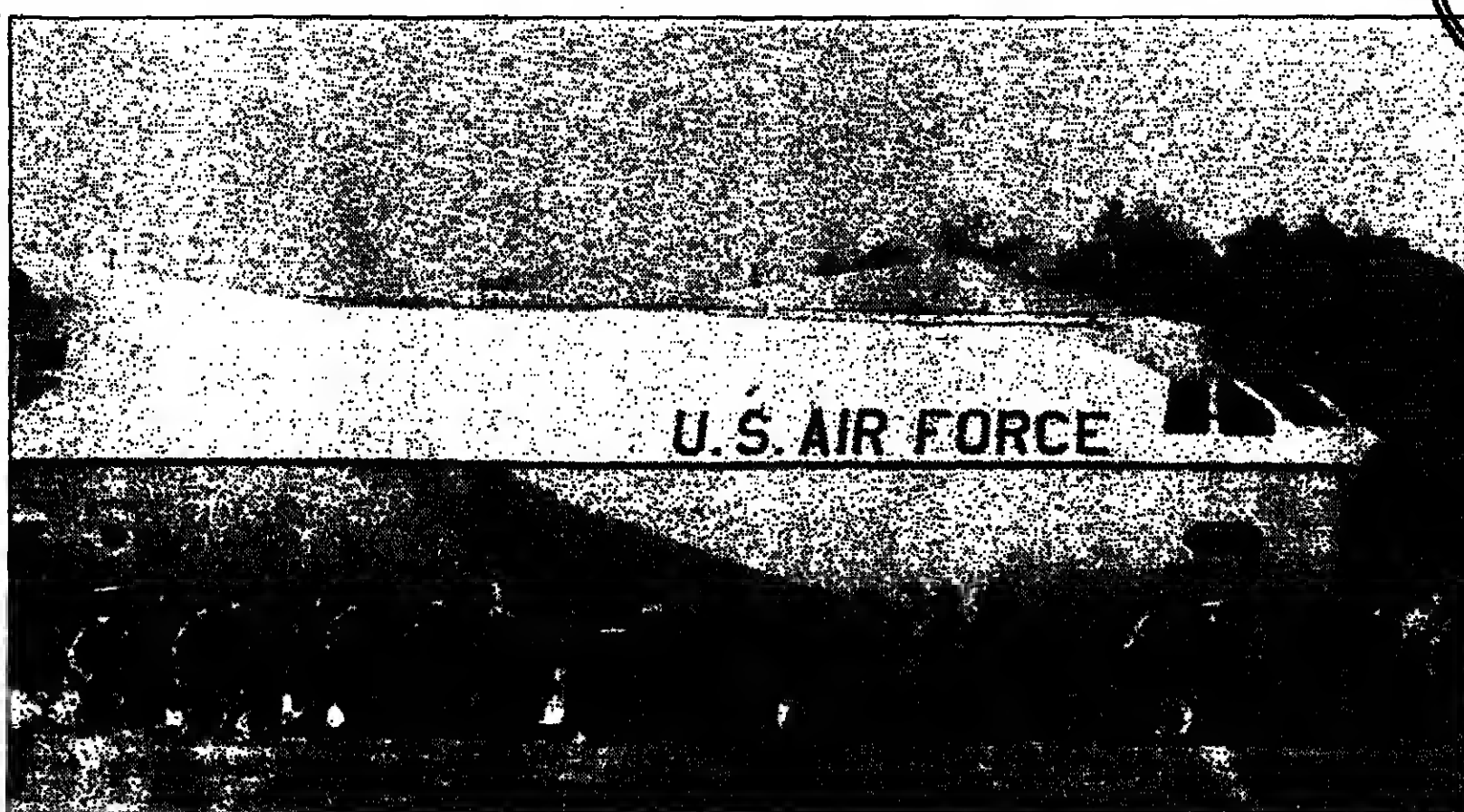
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British troops provide security for a C-141 transport at Greenham Common air base. New U.S. missiles arrived at the base Monday.

U.S. Offers New Proposal on Medium-Range Missiles

Compiled by Our Staff From Dispatches

WASHINGTON — The United States proposed to the Soviet Union on Monday that each side limit its force of medium-range nuclear missiles to 420 warheads, the State Department announced.

Alan Rombert, a State Department spokesman, said Paul H. Nitze, the chief U.S. delegate to the Geneva talks on reducing intermediate-range nuclear weapons, had presented the U.S. offer Monday to the Soviet delegation.

Mr. Rombert noted that the proposed U.S. intermediate-range force of 420 single-warhead missiles would equal 140 three-warhead Soviet SS-20 missiles, the number to which the Russians have proposed to limit their SS-20 forces in the range of Europe.

He said the United States was "attempting to be responsive to the Soviets by accepting this level of

deployment while insisting on our own criteria for an agreement."

The United States envisions 420 as a global total, not just a restriction on missiles based in or aimed at Europe, Mr. Rombert said.

The Soviet leader, Yuri V. Andropov, offered last month to reduce the arsenal of SS-20 missiles west of the Ural Mountains to 140 from 243. But Mr. Andropov has insisted that French and British missiles be counted against the Soviet total.

A Reagan administration official, who asked not to be named, said the new U.S. proposal still excluded the 162 French and British weapons.

Referring to earlier reports about the new U.S. proposal, Tass said Monday that the Soviet Union would reject such an offer because it would still allow the deployment of some cruise and Pershing-2 missiles.

"In brief, President Reagan has not relinquished his lunatic plans to make the Russians fear that the U.S.A. will resort to the use of nuclear weapons," the agency said, adding that it was already clear that Washington would still insist on deploying weapons in Europe that could hit Moscow and Leningrad in six to eight minutes.

(AP, Reuters)

Final U.S. Offer
Earlier, Michael Getler of The Washington Post reported from Washington.

President Ronald Reagan decided, in consultation with U.S. allies in Europe, to refine the latest U.S. arms-control proposal in a last effort to narrow differences with Moscow before new U.S. missile deployments begin in Europe next month and before any Soviet walk-out from the arms talks in Geneva.

The new U.S. offer, which off-

icials describe as "an elaboration" of an earlier proposal, comes just before a crucial West German debate and vote on the missile question in the Bundestag scheduled for Nov. 21-22.

In a speech before the United Nations in September, Mr. Reagan offered a significant modification of earlier U.S. plans. He essentially said the Russians could have a larger total number of medium-range missiles than the United States in Europe and Asia, but that there must be parity in the missile forces of the two superpowers in Europe.

Mr. Reagan did not propose any specific numbers in September, however.

The West European nations that are to receive the first of the new U.S. Pershing-2 and cruise missiles — West Germany, Britain and Italy — are known to feel that it would more sharply focus the arms-control negotiations if the United

States put a specific number on the table.

The Geneva talks are rapidly heading toward a potentially dramatic climax, with Washington seeking to retain the confidence of public opinion in Western Europe that the United States is negotiating in good faith, and with Moscow trying to get the same European populations to prevent any new U.S. missile deployment.

Although the government of Chancellor Helmut Kohl in West Germany is virtually certain to have enough votes in parliament next week to reaffirm Bonn's commitment to deployment, a further elaboration of the U.S. proposal will undoubtedly be welcomed by Mr. Kohl in his battle with opposition forces who favor a delay in deployment.

Mr. Nitze, the U.S. arms negotiator, told the White House that a

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New U.S. Missiles Are Delivered to Base in Britain

By Peter Osnos
Washington Post Service

LONDON — The United States delivered on Monday the first of the 572 new medium-range nuclear missiles scheduled to be stationed in Western Europe. Britain's defense secretary, Michael Heseltine, announced in the House of Commons.

The cruise missiles and their Tomahawk warheads were flown into the Royal Air Force base at Greenham Common on a U.S. C-141 Starlifter early Monday morning. The arrival came a day earlier than had been widely forecast by the British press, an apparent attempt to catch anti-nuclear activists camped around the base by surprise.

Over a five-year period, 464 cruise missiles and 108 Pershing-2 missiles are to be deployed in five NATO countries as a counter to Soviet SS-20 missiles unless an agreement is reached in arms talks at Geneva.

In a parliamentary statement, Mr. Heseltine said he hoped that the arrival of the first missiles would not lead to an early Soviet walkout from the talks, as Moscow has threatened it would. He reaffirmed that deployment of the missiles in Britain and elsewhere could be "halted, modified or reversed" if progress was made at Geneva.

Britain is committed to accepting 160 cruise missiles. The first installment is thought to consist of 16 weapons, although Mr. Heseltine refused to specify the number.

The delivery of the weapons on Monday followed weeks of anticipation as U.S. transport aircraft were seen unloading launchers and other crucial components of the missiles. Opposition to the U.S.-led invasion of Grenada revived widespread criticism of the Reagan administration's foreign policies and quickened the pace of political controversy over the missiles and anti-nuclear protest in the country.

While the British government's determination to proceed with de-

ployment was never in doubt, Monday's arrival represented symbolic defeat for a prolonged effort by peace groups to stop the missiles from coming.

In the House of Commons and at a press conference, questioning of Mr. Heseltine focused on whether the British government would be able to restrain the use of the new missiles against its will.

Mr. Heseltine repeated that any decision on their use would be a "joint" action of the U.S. president and the British prime minister. He

Prime Minister Thatcher has proposed arms talks by the five nuclear weapons states. Page 2.

said that in a time of tension, the missiles would not be removed from the base unless they were accompanied by a combined U.S.-British force.

However, the United States retains sole control of the weapons' firing devices, and critics of the deployment continued on Monday to insist that it would be impossible for Britain to prevent the missiles from being used if the United States were determined to use them.

Craix Reaffirms Deployment

Prime Minister Bettino Craix opened a three-day parliamentary debate Monday by reaffirming the Italian government's endorsement of NATO nuclear missile plans for Western Europe, including the commitment to deploy 112 cruise missiles at Comiso, Sicily, unless Moscow and Washington agree on accord in their Geneva talks. The Associated Press reported from Rome.

Outside the Chamber of Deputies, about 500 anti-missile protesters shouted "No to NATO and the Warsaw Pact" and threw pieces of candy at riot police who stood by in force. The state-run television said 60 protesters were arrested on charges of taking part in an unauthorized demonstration and were then released.

Peru's Left Headed for Victory in Local Elections



A policeman threatening a voter who had tried to avoid the waiting line at a Lima polling place. Officials said that turnout reached about 80 percent in Peru's municipal elections.

Compiled by Our Staff From Dispatches

LIMA — The centrist party of President Fernando Belaunde Terry was headed for a crushing defeat Monday in nationwide municipal elections in which a Marxist appeared to have won the majority of Lima for the first time. Voting went smoothly, despite a threat by extreme leftists to disrupt the elections.

With 80 percent of the vote counted in Lima, Alfonso Barrantes, 53, led 14 candidates with 34 percent of the vote. His rivals conceded defeat, and Western diplomats said he would be the first freely elected Marxist mayor of a South American capital.

"We have defeated the government and we have defeated terrorism," Mr. Barrantes said in a victory speech. Mr. Barrantes is a leader of the United Left, a coalition that includes the Communist Party.

Mr. Belaunde limited himself to saying, "It is always healthy for the public to express its point of view."

Turnout was heavy on Sunday although an extreme leftist group, Shining Path, which had threatened to disrupt the election, killed two electoral officials and three policemen, destroyed two political party offices and forced the suspension of elections in two Andean villages, according to officials.

The group had demanded that Peruvians boycott the elections, warning that they might be killed if they voted. Police and soldiers guarded more than 40,000 polling places.

Despite the Shining Path's threat, officials said, turnout amounted to as much as 80 percent of the 7.6 million eligible voters. Voting was mandatory.

Nationally, the center-left Social Democrats, led by Alan Garcia, won the bulk of the vote that had been tabulated. Mr. Belaunde's centrist Popular Action Party appeared likely to manage at best a third place.

The apparent defeat was the first for the Popular Action Party, which had propelled Mr. Belaunde to the presidency twice in the past 20 years. He was president from 1963 to 1968, when he was overthrown in a military coup. He returned to power in 1980 with the restoration of civilian rule.

Official results in the races for 1,600 municipal and city government posts were not expected for about 10 days. But analysts, referring to the results available on Monday, viewed the vote as a strong protest against Mr. Belaunde's three-year-old government, which is beset by a deepening economic crisis and growing unrest.

(Reuters, AP, UPI)

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U.K. Arms Foe Draws Fire For Speech to Communists

Reuters

LONDON — The leader of Britain's anti-nuclear movement, Monsignor Bruce Kent, has stirred wide criticism by telling the country's Communist Party that it is a partner with his organization in the cause of peace.

The Roman Catholic priest, general secretary of the Campaign for Nuclear Disarmament, received a standing ovation from delegates at the British Communist Party's annual congress Sunday when he made the statement to the meeting, adding: "I do not believe that we are so very far apart on many of the major issues."

A Conservative Party politician, Sir John Biggs-Davison, who is a Roman Catholic, said that he would press the church to review Monsignor Kent's position, saying: "It is surely clear now that he is playing a political role."

Peter Cadogan, the leader of an ecological group belonging to the Campaign for Nuclear Disarmament, said that appearance before the Communist conference was appalling. The party's newspaper, the Morning Star, ran its story of the speech under the banner headline: "Partners in Peace."

Speaking on television on Monday, Monsignor Kent dismissed recent allegations by opponents that his movement received funds from the Soviet Union. "There is no way you can say CND is pro-Soviet," he said. "It certainly isn't." He added that he himself was "certainly not a Communist."

Experts See Wheat Farmers Rejecting U.S. Incentives to Limit 1984 Harvest

By Andrew H. Malcolm
New York Times Service

ST. JOHN, Kansas — Wheat farmers in overabundant numbers appear to have rejected the Reagan administration's newest, reduced offer to encourage them not to plant some of their land this year for next year's crop, according to federal officials, farmers and agricultural experts.

This, combined with the ample sun and rain at just the right time for the sprouting crop last month, has produced many preliminary forecasts that next spring and summer will see a wheat harvest of three billion bushels (about 81.6 million metric tons), the largest in American history.

The economic and political implications of such a harvest will spread far beyond the fertile fields. From Texas to North Dakota and the Canadian border, millions of acres of lush green growth have appeared in tidy rows in recent days as the 1984 wheat crop has sprouted in the best condition in recent memory.

As usual, hundreds of thousands of cattle graze on the new plants, which have sent already their roots deep below the January frost line, waiting to start growing again next year.

Here in Kansas, mile after mile of deep-green fields give the eerie appearance of vast, well-tended lawns far from any house.

"Oh, I'm telling you," said Howard Ward, a wheat farmer near this

central Kansas community, as he strolled through his field. "It's looking beautiful. I mean beautiful."

"Even if we didn't get any moisture until March," said Tom Turner, another Kansas farmer, "we'd still be in good shape."

Another huge wheat crop, coming on top of the last three record harvests, would enlarge the country's substantial grain surplus. That would further depress commodity prices, farm income and farm spending and increase federal agricultural expenses and deficits, all in

a presidential election year and in a region that supported Ronald Reagan in 1980.

"I think a lot of incumbents will be in some trouble next year," said Mr. Ward, who is president of the Kansas Association of Wheat-growers.

Despite more than \$22 billion in federal agricultural programs this year to subsidize what is probably the most productive sector of the U.S. economy, thousands of farmers find themselves in mounting financial difficulties, the victims of a combination of high production costs and interest rates and low prices for their commodities.

To combat the price-depressing surpluses, the government has created annual programs to encourage planting reductions. But this year, because of budgetary and political pressures to reduce agricultural costs, the administration announced a wheat program that was much less attractive financially than last year's, which produced a 20-percent reduction in planting.

Nonetheless, the 1983 wheat harvest was down only 14 percent, to 2.41 billion bushels from 2.81 billion, the record set the previous year. Kansas was by far the largest wheat-producing state, with 19 percent of the total crop.

The complex crop-reduction programs, which involve a shifting package of rules and incentives, require a wheat farmer this year to reduce his planted acres by 30 per-

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Trudeau Proposes 5 Nuclear Powers Meet to Negotiate Strategic Arms Cuts

By Kevin Klose
Washington Post Service

CHICAGO — Prime Minister Pierre Elliott Trudeau of Canada has proposed a conference of the world's five nuclear powers next year in a bid to limit their strategic arsenals. He said he is consulting with Moscow and Beijing on the idea.

In a speech on Sunday to a rally

of his Liberal Party in Montreal, the Canadian leader also offered a package of specific negotiating goals for the United States, the Soviet Union, Britain, France and China. If attained, he said, these measures could vastly improve the climate of international relations at a time when East-West tensions are high and could help limit the spread of nuclear weapons.

The speech, made available here,

followed Mr. Trudeau's trip to European capitals last week. The thrust of his new activism in the international arena marks a departure from recent general support he has given the Reagan administration on several East-West issues.

Mr. Trudeau's arms initiative includes an international ban on weapons that could attack high-altitude communications and surveillance satellites, agreement to limit the mobility of any new strategic missiles and agreement by weapons builders that the capabilities of new missile systems remain mutually verifiable.

He said that the five-power nuclear conference would not take place until after NATO begins deploying new cruise and Pershing-2 missiles at the end of this year in Western Europe to answer a buildup of new Soviet nuclear weapons. Moscow has threatened to break off talks on limiting intermediate-range nuclear weapons if the NATO deployment goes ahead.

Any agreement that established broad quantitative limits on warheads or systems, Mr. Trudeau said, could form the basis for another round of talks that could achieve overall arms reductions.

The choice of a party gathering to announce the results of his journey underscores the domestic political dimensions of Mr. Trudeau's recent activism in East-West matters. The new Conservative Party leader, Brian Mulroney, has sharply attacked Mr. Trudeau for not taking a hard enough line against Moscow.

Despite differences with President Ronald Reagan, the Trudeau government generally has supported U.S. policies. Mr. Trudeau promised in 1980 to retire from politics at the end of this term as prime minister, but his specific plans remain unclear. A national election is expected next spring.

Mr. Trudeau gave only sketchy details of the results of talks he held with six West European leaders during a four-day tour of their capitals last week.

The prime minister traveled to Brussels, The Hague, Paris, Bonn, Bonn and London. Background briefings before Mr. Trudeau's speech emphasized that he had found general support in the Western capitals for some or all of his initiatives.

Mr. Reagan stressed the U.S. commitment to South Korea, saying the South Koreans live "under the shadow of Communist aggression."

"Sometimes you fear events are more symbolism than substance," he said. But the presence of more than a million Koreans lining the streets during his visit represented "more than symbolism," he said.

Mr. Reagan said he was "honored to meet our men" at the Demilitarized Zone and told them "how crucial their mission was." Forty thousand U.S. soldiers are stationed in South Korea.

Reagan Describes His Trip to Asia as 'A Great Success'

The Associated Press

WASHINGTON — President Ronald Reagan said Monday that his trip to Japan and South Korea was "a great success."

The president, speaking at the White House, said the six-day trip "established an agenda for progress" in both economic and diplomatic efforts.

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Flights Halted in Mozambique

Reuter

MAPUTO, Mozambique — The national airline LAM said Sunday it has suspended all flights within the country indefinitely. No reason was given, but oil company sources said there was a shortage of fuel for the airline's three Boeing 737 jets.



Cars were buried in snow Monday in front of the Bolshoi Theater in central Moscow.

Moscow Caught Off Guard by Early Snow

The Associated Press

MOSCOW — One of the earliest winter storms here this century left Moscow with 10 inches (25 centimeters) of snow Monday after apparently catching city officials unprepared.

The unusually sharp and sudden cold, which had been preceded by abnormally warm weather, affected much of the European Soviet Union, from the Barents to the Black Sea, the Tass news agency reported. It said, "Moscow old-timers do not remember such an early and sharp change of seasons."

The 48-hour snowfall from Friday to Sunday nights was accompanied by strong winds, causing numerous drifts. By Saturday evening, many side streets were impassable and main boulevards were covered with snow. A few of the snowplows were assigned to clear Red Square, which is used only by official limousines.

Most buses and streetcars were behind schedule or not running, and taxis were scarce. But Tass reported that a special task force mustered 1,500 snowplows, scrapers, bulldozers and trucks over the weekend, and that by Monday, public transportation had returned to normal.

Metereologists said that the cold temperatures were not in themselves unprecedented for November. In 1914, for instance, November temperatures plunged to -22.4 degrees centigrade (-7.6 Fahrenheit). What was unusual, they said, was the sudden change in temperature.

On Nov. 7, the temperature was 8 degrees centigrade (46 Fahrenheit). On Monday, it was -11 centigrade (+12 Fahrenheit).

Paris and Moscow to warn heads of state of the consequences of a nuclear war.

The current academy comprises 71 scientists, all elected for life; 26 are Nobel Prize winners. The United States has 16 members, Italy 10, and France and Britain 8 each. About two dozen other nations are represented, none with more than three members; the Soviet Union has none. About 25 of the members are practicing Catholics. Dr. Chagas said.

The non-Catholics cite a variety of reasons for joining the academy of being wooed by the church, an opportunity to meet with famous colleagues, an all-expense-paid trip to Rome every two years (spouse included), and the hope that the academy might prove influential.

In addition to the members, the academy invites hundreds of experts from relevant fields to participate in weekend-long studies on topics ranging from energy to parietic disease.

From the church's perspective, the academy serves several important purposes.

It promotes progress in science, always bearing in mind, as Dr. Chagas put it, that "science has to be geared for human benefit and not for the benefit of the rich people or political classes."

It allows the church to keep track of scientific advances that might pose ethical, moral or theological problems.

And it gives the pope a forum for exhorting leading scientists to bring a moral dimension to their work. It also provides a pool of eminent scientists who can join with the church in pursuing goals

Vatican Seeks Scientists' Opinions, Advice

(Continued from Page 1)

was begun with papal sponsorship in 1847 and was given modern shape and title in 1936. But for most of its life it has been largely ceremonial. Only in the last 5 to 10 years, participants say, has it become vigorous.

"The Vatican's interest in science has really increased," said Dr. Carlos Chagas, 73, a Brazilian neurophysiologist, who became president of the academy in 1972. "Not since the days when many priests were scientists a century ago has the church been so closely involved with scientists."

Part of the increased interest has to do with Dr. Chagas's energetic leadership. But observers also note that Pope John Paul II's interest in science and philosophy is a factor.

The academy seems to have strongly influenced the hierarchy on some issues. Based on academy studies and recommendations, the pope endorsed nuclear power as a useful form of energy, approved most forms of genetic engineering except for research on human embryos, and voiced greater concern over the dangers of nuclear war. At the academy's instigation, he sent scientists to Washington, London,

such as controlling the nuclear arms race or improving the lot of the impoverished.

Two years ago, after an academy study week on astrophysical cosmology put the human race still farther from the center of the universe than anything Galileo had ever proposed, the pope told the academicians "how highly the church esteems pure science." He said that his findings did not conflict with the Bible, "which does not wish to teach how heaven was made but how to go to heaven."

Last year a meeting of 12 scholars convened by the academy concluded that "masses of evidence" from paleontology and molecular biology support "beyond serious dispute" the concept of human evolution, a theory that was opposed by Catholic theologians in the last century and that still sparks opposition from fundamentalists.

Some members of the academy believe that certain subjects involving conflicts with church doctrine, such as the use of contraceptives, are taboo.

"We are neither asked, nor have we tried, to make a pronouncement on that question," said the Nobel laureate David Baltimore, an academy member from the Massachusetts Institute of Technology. "It's an embarrassment to all members of the academy who feel, as I do, that the lack of birth control is a big problem."

But Dr. Chagas said the academy could consider the scientific aspects of virtually any issue, including contraception. He added that he planned to schedule a meeting on the technical aspects of different forms of contraception in the next year or two.

U.S. Offers a New Proposal On Medium-Range Missiles

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new offer would be appropriate. He is known to have suggested that each side be allowed a total of 600 warheads globally on 200 medium-range launchers. This would essentially allow Moscow to keep 200 of its SS-20s. The Russians have deployed 243 of these missiles in Europe and 117 in Asia.

The United States has no comparable medium-range missiles deployed yet. Reagan administration officials say that the Nitz formula was rejected because the number was too high.

At first glance, the new U.S. plan would appear to parallel the latest offer from Mr. Andropov, but there are sharp differences.

When Mr. Andropov offered to reduce the Soviet forces in Europe to 140 missiles, he was talking about 140 missiles only for Europe, while Mr. Reagan is talking about

140 SS-20s in Europe and Asia combined. This means that the number in Europe would still have to be considerably lower than 140 SS-20s, since the Russians almost certainly will want to keep some of their missiles in Asia.

Mr. Andropov also has continued to insist that no U.S. missiles be deployed and that the Soviet Union's 140 missiles be viewed as compensation for 162 British and French missiles. The United States and its allies flatly reject these Soviet demands, arguing that only U.S. weapons can deter a Soviet attack in Europe.

U.S. officials say that the Russians have hinted informally that they might be willing to reduce even further, to about 54 missiles and 162 warheads in Europe, but still without any U.S. deployment.

25 Protesters Arrested

Seventeen women who attempted to block a gate at Greenham Common after the missiles arrived on Monday were arrested. The Associated Press reported from London. Police said that eight other protesters were detained outside Parliament as Mr. Heseltine informed the House of Commons of the missiles' arrival.

WORLD BRIEFS

Bonn Denies U.S. Envoy Intervened

BONN (AP) — The government denied Monday that the U.S. ambassador to Bonn, Arthur F. Burns, intervened to stop approval of a 3-billion Deutsche mark (\$380-million) credit request for East Germany, a Bonn spokesman said.

The spokesman, Peter Boenisch, also denied that the East Berlin government had approached Bonn about receiving a new credit. He said there had been no "official contact" or "negotiations" on such a request. The West German news weekly, Der Spiegel, had quoted East German sources as saying that the credit had almost been finalized when Mr. Burns stepped in. The sources told the magazine that Chancellor Helmut Kohl backed down when Mr. Burns told him the U.S. government would find approval of the credit "very inopportune."

Casey Had Interest in Firms Tied to CIA

WASHINGTON (WP) — The CIA's director, William J. Casey, had a financial interest in several companies doing business with the CIA when he decided to put his holdings in a blind trust last July.

Some of the investments were made by his investment adviser after Mr. Casey became director, according to CIA records produced by a lawsuit under the Freedom of Information Act. The CIA, however, has refused to release details about how many of the companies in Mr. Casey's portfolio hold contracts with the agency or how many contracts they hold.

A millionaire whose financial dealings have been a sporadic source of controversy since he took over the CIA in 1981, Mr. Casey had an interest in 72 companies as of last Jan. 3, according to the CIA's general counsel, Stanley Sporkin. The total, records indicate, was still about the same when the lawsuit was filed June 28 by the privately funded Center for National Security Studies.

Thorn Warns of Looming ECP Paralysis

BRUSSELS (AP) — Preparations for the European Community's year-end summit are two months behind schedule, and the community will become paralyzed unless members make major progress in resolving a chronic budget disagreement in the next 20 days, Gaston Thorn, the president of the EC Commission, said Monday.

The EC could enter a "permanent budgetary crisis" if there is no progress in negotiating a package of financial and agricultural reforms before the summit Dec. 5 and 6 in Athens, Mr. Thorn said. The work to be done includes presentation of new proposals, a series of visits by Mr. Thorn to European capitals and a final foreign ministers' meeting Nov. 28-29 in Brussels.

At a ministerial session last week in Athens, Mr. Thorn said, "The delegates did not negotiate. They just juxtaposed their statements." He said that, even if preparatory work is completed and a solution is reached at the summit, it could take up to two years for each member's parliament to ratify it. Among issues to be discussed are efforts to reduce EC farm spending, funds for social programs and a solution of Britain's demand for more direct financial benefits.

Turkish Court Jails Peace Activists

ISTANBUL (Reuters) — A Turkish military court sentenced 23 peace activists for up to eight years in prison Monday, with added terms of internal exile, in one of the toughest verdicts at a political trial not involving violent crime since the 1980 military coup.

The defendants, convicted of forming an organization to overthrow the state, belonged to the Turkish Peace Association. The group consisted mainly of journalists, lawyers and other professionals and was campaigning for disarmament. It was linked to the Soviet-backed World Peace Council and was abolished after the coup.

Among the 18 persons given eight-year sentences was the association's chairman, Mahmut Dikender, a former ambassador. Five others who got five years included the chairman of the Istanbul Bar Association, Osman Apaydin.

Kohl Urged to Give Strauss Portfolio

BONN (AP) — Leading members of Franz Josef Strauss's Christian Social Union, the chief conservative rival of Chancellor Helmut Kohl's Christian Democratic Union, demanded Monday that Mr. Kohl give a cabinet post to the Bavarian premier.

In interviews, the chief of the Bavarian chancellor in Munich, Edmund Stoiber, and the chairman of the Bavarian state delegation in Bonn, Theo Waigel, said Mr. Kohl should appoint Mr. Strauss to his coalition cabinet. On Sunday, Gerold Tandler, the general secretary of Mr. Strauss's party, urged Mr. Kohl to give Mr. Strauss a portfolio.

In the national election last March, the two conservative parties and the centrist Free Democrats won a majority. Mr. Strauss, said in a television interview Sunday that he was offered the Defense Ministry after the election but turned it down. The issue has resurfaced recently amid rumors that Economics Minister Otto Lambrecht, a Free Democrat, may step down.

Harare Cracks Down on Prostitution

HARARE, Zimbabwe (UPI) — Police and troops have detained hundreds of women in a national campaign to stamp out prostitution, officials said Monday. "We are arresting prostitutes and leaving uncorrected women on legitimate business alone," a government spokesman said.

Women found to be prostitutes will be sent to rehabilitation centers and taught skills to enable them to "end their dependence of being paid for their sexual favors," the spokesman said.

Angi Citler, 26, said she and four other prostitutes British teachers were held for five hours after authorities raided a cinema in the city of Gweru. "Women at the show were separated from their male escorts and herded onto trucks and taken to the police station," she said. "We were only released quickly because of pressure from the Education Ministry and the British High Commission," she added.

Senate Approves Civil Rights Panel

WASHINGTON (AP) — The Senate approved Monday a reorganization of the U.S. Commission on Civil Rights by a 78 to 3 vote after defeating an effort to attach an anti-abortion amendment to the legislation. Meanwhile, a federal judge in Washington granted a preliminary injunction blocking President Ronald Reagan's firing of two commission members.

The House is expected to act promptly on the reorganization bill. The White House has assured congressional negotiators that Mr. Reagan will sign the legislation. Under a compromise reached Friday, the current member commission will be replaced by an eight-member panel with four members appointed by Congress and four by the president.

The president now appoints all six members, and the current commission's term expires Nov. 29. Members of the new commission would serve staggered six-year terms and could be removed only for specified causes.

For the Record

Prime Minister Milka Planinc of Yugoslavia will go to Britain on Tuesday for a four-day official visit that will include talks with Prime Minister Margaret Thatcher and cabinet ministers. (Reuters)

Senator Charles H. Percy, 64, an Illinois Republican, announced Monday he would seek a fourth term in 1984. He defended his support of President Ronald Reagan but declared, "I have always been my own person." (UPI)

The Israeli interior minister, Yosef Burg, has been denied a visa to enter Hungary on a private visit, his office said Monday. A spokesman said Mr. Burg had been assured a few weeks ago that Budapest would issue a visa even though it broke off relations with Israel in 1967. (Reuters)

A Soviet cargo ship, the last of 55 that were trapped in arctic ice off northern Siberia, has been released by icebreakers and is returning to port, Tass said Monday. (Reuters)

A man who set himself on fire last week in Moscow's Red Square had died from his burns, police sources said Monday. The sources said the unidentified man killed himself because he could not find an apartment. (UPI)

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Rights Group Campaign To End Sakharov Exile
BONN — An international human rights organization launched a worldwide campaign Monday aimed at freeing the Soviet dissident physicist, Andrei A. Sakharov from internal exile by the end of this year.

Reinhard Gönner, chairman of the West German section of the International Society for Human Rights, said that groups in Europe, the United States and Australia would stage vigils and marches and petition embassies until Dec. 10.

Pentagon Whistle-Blowing New

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Pentagon Whistleblower Is Fighting New Battles

Fitzgerald, Though Reinstated in Job, Complains That His Work Is Blocked

By Charles Mohr

New York Times Service

WASHINGTON — A. Ernest Fitzgerald, a stubborn Pentagon whistle-blower, says he has spent 17 years fighting what he calls "the Calvinist argument about military spending: the belief that costs are predestined and cannot be affected by mere man."

Whether Mr. Fitzgerald is getting anywhere is an open question. He said in an interview he was being blocked from carrying out his duties as one of the chief cost cutters for the air force and might have to seek relief in federal court.

Mr. Fitzgerald became perhaps the most famous of all Pentagon whistleblowers when he disclosed to Congress in 1969 that the price being paid for Lockheed C-5A cargo planes had approximately doubled over original contract estimates.

He was dismissed from his Civil Service job for carrying these unwelcome tidings. Not until last year was he fully restored to his position as management systems deputy to the assistant secretary of the air force for financial management as a result of a prolonged lawsuit.

Mr. Fitzgerald is now involved in a conflict with the "blue states" in the unclassified air force program of cost-cutting over the issue of whether stringent work measurement standards will be applied to the corporations that supply the air force with billions of dollars worth of equipment.

Mr. Fitzgerald is not easy to intimidate. He testified recently to a House subcommittee on what he called an "upside down system of rewards and punishments" for excessive costs on military contracts after the Department of Defense had declined to "clear" his testimony officially.

Now he is scheduled to testify before a subcommittee of the Senate Judiciary Committee that is investigating allegations that the Pentagon tried to punish and intimidate a civilian auditor at a Florida plant of Pratt & Whitney Aircraft, a leading maker of jet engines and a supplier of spare parts to the air force and navy.

Although his written testimony primarily describes statutes forbidding intimidation of civil servants, it has also been referred to as a "muzzling" of Mr. Fitzgerald.

"I will be muzzled officially but not personally," Mr. Fitzgerald said in one of a series of interviews. "We profess to value truth in the government and, yet, when someone commits truth, they are in a heap of trouble."

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A. Ernest Fitzgerald

Report Criticizes Payment for C-5A

Washington Post Service

WASHINGTON — The General Accounting Office has alleged in a report that the air force overpaid the Lockheed Corp. by as much as \$120 million to replace defective wings on C-5A cargo aircraft that the company built.

Lockheed was legally obligated to perform a substantial portion of the correction on a cost reimbursement, no-fee basis under the C-5A contract, the report said. It said, however, that the air force did not recognize this obligation and obligated itself to pay fees of about \$150 million.

The efficiency and work ethics of blue-collar factory floor workers can be important in this measurement, especially in competitive, commercial industries, Mr. Fitzgerald argues. But in the largely non-competitive military industry in which contracts are constantly renegotiated, he says, very large overheads for engineering, executive and lobbying costs, as well as poor planning, greatly inflate the dollar cost of a standard hour.

Mr. Fitzgerald and his subordinates, known as the "attic fauntes" because of their cramped quarters on the top floor of the Pentagon, say industrial statistics show that commercial businesses can turn out complex work, of high quality, at rates from slightly more than \$20 a "standard hour" to about \$35 a standard hour.

Air force auditors of military industries, however, have calculated that the best rate from military contractors now ranges from \$95 to \$330 a standard hour. At those rates it would take tens of thousands of dollars to build a \$400 commercial television set, Mr. Fitzgerald's staff has calculated.

Mr. Fitzgerald and other government auditors, some of whom asked not to be named, said there was little question that many billions of dollars could be saved each year by reforming the way contracts are written and enforced, or not enforced.

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Boston's Have-Nots Take Initiative in Mayoral Race

By Margot Hornblower

Washington Post Service

BOSTON — Southie is a neighborhood frozen in time. Hard by the sea, severed from the rest of Boston by a freeway, its wooden row houses and squat housing projects overflow with Irish immigrants' grandchildren who often have nowhere else to go.

Raymond L. Flynn lives in Southie, close to the dock where his father worked as a longshoreman. Here, Mr. Flynn's car was fire-bombed a few years ago and occupants of trucks fitted with megaphones cruised the streets, calling him a "nigger lover."

But today in Southie, as South Boston calls itself, hardly anyone dwells on the anti-busing riots and racial hatred of the 1970s. For in Boston, this is the year of the have-nots, the year that the neighborhoods, from Southie, poor and white, to Roxbury, poor and black, have recaptured political initiative.

Mr. Flynn, 44, a city council member, wants to win the mayoral election on Tuesday, he said, to "help the greatest amount of people disenfranchised from the political process. The poor whites think the blacks are getting everything. The blacks think the whites are getting everything. In reality neither group is getting anything."

Mr. Flynn's opponent, Melvin H. King, 55, is a former state legislator and the first black to win a place in a mayoral runoff in the city. He has campaigned with the

same message. "We're saying goodbye to segregation city, goodbye to the politics of exclusion and welcome to the politics of inclusiveness," Mr. King said at a recent rally of his "rainbow coalition" of blacks, whites, Hispanic people, homosexuals and feminists.

Mr. Flynn is heavily favored to win the nonpartisan election: A Boston Herald poll published Sunday shows him 16 points ahead. But whatever happens, a new era seems to have begun in this 353-year-old city.

From a hill in Southie, beyond the rubble-strewn lots, past the neon shamrocks that decorate Southie bars, one can gaze at the glittering skyline of Mayor Kevin H. White's Boston.

Dozens of angular skyscrapers rise from what has become in the last decade the second largest financial center in the nation, trailing only New York. Luxury condominiums adorn the waterfront. Trendy boutiques and fancy eateries sprout in the 19th-century warehouses of Quincy Market.

Mr. Flynn and Mr. King, two street campaigners who beat better-financed, establishment-backed candidates in the preliminary election last month, are products of a citywide backlash against 16 years of Mr. White's urbane, sophisticated and increasingly tainted administration. Allegations of corruption in some official circles contributed largely to Mr. White's decline in popularity and subsequent decision not to run.

But in Southie, the main focus is the streets. "The neighborhoods of the city have been neglected, left behind," Mr. Flynn said. "The focus has been on the downtown."

Boston, with a population of 563,000, has changed dramatically in the past decade. Busing accelerated middle-class flight to the suburbs, and the white population dropped by one-quarter. The proportion of minority residents went from one in five to one in three.

In black Roxbury, the streets are dotted with empty, weed-choked lots, a legacy of arson and neglect. In Southie, too, charred bulks of apartment buildings sit next to trim, maintained homes.

Housing issues are at the top of the political agenda. Both Mr. Flynn and Mr. King favor rent control, a halt to condominium conversion and a requirement that downtown developers help build neighborhood housing.

In the past decade, the city's schools, housing authority and jail have been placed in federal court receivership. Police, firemen and teachers were laid off after voters passed a tax-cutting initiative in 1980 that was known as Proposition 2½, because it limited property taxes to 2.5 percent of the property's value.

At the same time, young professionals have moved into such neighborhoods as the Italian North End and the racially varied South End. In the past decade, the population dropped 12 percent, but the

number of residents aged 25 to 34 increased by one-third.

Neighborhoods like Southie are hostile to the new gentry, who force up real estate prices beyond the means of the working class. But the gentry, too, are demanding better services.

In Southie, some residents, such as Larry Dwyer, a Flynn campaign worker, say the anti-busing demonstrations of the 1970s were tied to a fear of losing property. "Generations of families of Irish immigrants worked years to finally buy a home. The idea of someone coming in and displacing them was scary."

"We've learned that the major issues are economic. The bad guy is

not some dark man in a closet," Mr. Dwyer said. Nonetheless, racism is alive. Two whites distributing King literature at a Southie housing project were beaten Saturday by a gang of white teenagers.

Two weeks ago, a black worker at Mr. Flynn's Roxbury headquarters was pistol-whipped by two blacks. Overall, however, racial incidents dropped from an average of 600 per year in the late 1970s to 200 last year.

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Press Institute Protests New Turkish Restrictions

The Associated Press

LONDON — The director of the International Press Institute said Monday that he had sent a message to President Kenan Evren of Turkey protesting a "new, repressive press law" introduced there.

The director, Peter Gelliner, said he had told Mr. Evren that the institute was "appalled" by the law, which he said would "antagonize your friends and can only strain your relations with the government and the press in the Free World."

The institute, with offices in Zurich and London, is an independent organization of nearly 2,000 publishers and editors in 62 countries.

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Rose-Colored Recovery

There has been a rush of good news about the U.S. economy, most conspicuously the unexpected plunge last month in the rate of unemployment. Were the gloomysayers just dead wrong? Yes, is the economy out of the woods? Far from it.

A year ago, the consensus among economists forecasting for 1983 was that recovery would be sluggish. Though it has not been spectacular, recovery has been strong and steady. Last month, retail sales topped \$100 billion for the first time ever. Overall, the trend has been just about normal. But there are some disturbing distortions.

First, the forecasts: What went wrong? No one could know last November that the recession was at that very moment hitting bottom. The country was in the depths of the worst recession since the 1930s. There were a few signs of upturn — the stock market was surging, interest rates were falling and housing starts were improving. But the recovery was not confirmed until several months later, and its start was slow.

The wreckage caused by recession was reason enough to expect a long and difficult climb back to health. All through the recession, even the most knowledgeable authorities had underestimated the effect of the credit squeeze. They figured that high interest rates, even if they were declining, meant slow growth. They underestimated again. Most forecasters said

that the unemployment rate would not get below 10 percent this year. It is already down to 8.7 percent.

Now the distortions: Where are they? One obvious reason for the latest half-point drop in unemployment was the strong pace of hiring. But just as important was an unexpected — and still unexplained — disappearance of a half-million job seekers. They were not employed, but they were not looking for work either and thus were no longer "unemployed." Probably, they will be back.

The good news on hiring must also be set against the bad news that industry is still not investing in new plants and equipment. Apparently unsure about long-term growth prospects, and deterred by interest costs, businesses prefer to expand capacity by hiring workers who can be laid off if sales again slacken. The investment lag means American industry is not raising efficiency enough to meet the stiff competition from foreign producers.

The main obstacle to healthy growth remains the federal deficit. Continued inaction on the deficit now means inaction until after next November's election and probably until mid-1985. And by then the recovery could have been choked off.

The good news only encourages politicians to take a high-risk gamble with the nation's welfare. It is shortsighted. It is dangerous.

—THE NEW YORK TIMES

Cars and Caterpillars

The purpose of the domestic content bill, its authors say, is to protect American jobs. The bill would require imported cars to have U.S.-made components in proportion to the number of cars that the manufacturer sells in the United States. To continue its sales at the present level, for example, Toyota would have to produce 67.5 percent of its cars' value here.

When the House of Representatives passed the bill last week, it did not really expect it to be enacted. In the unlikely event that it gets through the Senate, President Reagan is sure to veto it. The purpose of the bill's sponsors — and of the United Auto Workers, who vigorously lobbied for it — was to force protection for the auto industry onto the list of issues in the presidential election campaign.

To see what is wrong with a domestic content bill, consider the case of the Caterpillar Tractor Co. Caterpillar is one of the leading U.S. exporters. It sells nearly half of its American production abroad. Last year that came to \$2.5 billion worth of U.S.-built tractors, construction equipment and engines. Caterpillar has 44,000 employees in the United States — most of the production workers, incidentally, represented by the United Auto Workers.

People opposing the domestic content bill have pointed out that other countries might retaliate by shutting out American goods. That

is true, but that would be only the beginning. Caterpillar does not sell many tractors in Japan. But its chief competitor throughout the world is a Japanese company called Komatsu. If the United States reduced its imports by law, the exchange rate of the dollar would rise higher than ever, making Caterpillar tractors more expensive abroad in relation to Komatsu, and costing Caterpillar sales in other countries where they retailed or not.

Some of the congressmen supporting the domestic content bill did not seem to realize that the United States exports more machinery than it imports. Last year it imported \$73 billion worth of machinery, including cars. It exported \$87 billion worth — and 1982 was a bad year for U.S. exports.

Protectionist legislation does not save American jobs. It only redistributes them, usually with a net loss. The domestic content bill could save some jobs, at least temporarily, in the automobile industry. But it would save them only by destroying the jobs of other Americans. Often represented by the same unions, in similar but more competitive industries, that is a reality to which presidential candidates might want to give a few minutes' thought before committing themselves to the protectionist cause.

—THE WASHINGTON POST

Other Opinion

Syria and Mideast Tension

Syria is not the cause of tension in the region. Syria is on the defensive, particularly since the Israeli invasion of Lebanon. The policy of the United States in Lebanon... raises the tension in the region. We are just reacting to a series of threats and warnings, whether by the Israelis or by the Americans.

The impression that we are preparing for war is wrong. Our determination to equip ourselves with sophisticated weapons is to defend ourselves against any possible aggression by Israel... not to wage war.

We have heard from some American officials that they acknowledge our interests and influence in Lebanon and the region. Unfortunately, this is not translated into reality. Instead, we hear accusations, warnings, threats.

—Faruk al-Sharaa, Syrian minister of state for foreign affairs, interviewed in Newsweek.

The Ailing Soviet Leader

Western analysts now believe that Yuri Andropov is seriously ill — probably with a kidney disorder — and that the political infighting to succeed him may be under way. This is fascinating stuff. But it is also cause for worry, because it presumably prolongs the leadership crisis of the world's other great nuclear power.

The regime headed by Mr. Andropov has steadily grown more intransigent. The propaganda attacks on Ronald Reagan, with whom the Kremlin may have to deal for five more years, far surpass in plain viciousness anything that the U.S. president has had to say about Mr. Andropov and his colleagues.

In the view of most Western experts, all this is not necessarily Mr. Andropov's fault; it may be that he has merely been unable to crack the stranglehold of the bureaucracy — especially the military bureaucracy. Mr. Andropov reportedly won his bid for supreme power with the backing of the Soviet military-industrial complex. There is an impression that the Sovi-

et military, always influential, now has a virtual veto power over important policy decisions.

Present speculation is that Mr. Andropov's illness is not serious enough to force early retirement. But if a struggle for succession is indeed under way, Soviet policies probably will remain on existing tracks.

There is nothing that the United States can do directly to influence the leadership crisis in the Soviet Union. But Mr. Reagan and his advisers should be mindful of the extreme importance of leaving some bridges unburned in U.S.-Soviet relations. If the turn of the wheel produces opportunities for more cooperation and less confrontation, Washington should be ready to do its part.

—The Los Angeles Times

A Battalion to Costa Rica

Although U.S. troops have been moving in and out of Central America since Spanish rule ended, the dispatch of a battalion of U.S. Army engineers to Costa Rica is of a different order of significance. The increase in Nicaraguan armed power and the involvement of Cubans, East Germans, Bulgarians and North Koreans there has alarmed Costa Ricans.

The need for outside insurance against the possibility of invasion from Nicaragua, disguised as or spearheaded by a "popular uprising," is now recognized in official circles. Until now, Costa Rica has avoided any involvement in joint military planning with its Central American neighbors, with Panama and with the United States.

Now, permission for a U.S. Army engineering battalion to undertake familiarization exercises in the region bordering on Nicaragua together with the Costa Rican civil guard constitutes a vast leap in commitment. This coincides with the aftermath of Grenada, which President Reagan believes signifies a change in America's mood, heralding a counteroffensive against communist expansionism.

—The Daily Telegraph (London)

Is America's 'Quiet Diplomacy' on Rights Too Quiet?

In Seoul, a Mixed Picture

By Hurst Hannum

WASHINGTON — I recently visited South Korea on a week-long fact-finding mission on behalf of the International Human Rights Law Group and the International League for Human Rights. The trip confirmed that the mechanisms of repression that were established by President Chun Doo Hwan in 1980 and 1981 are still in place.

Approximately 300 politicians remain banned from engaging in political activity; the estimates of political prisoners (mostly students) range from 400 to more than 1,000; trade unions have been all but abolished; and "self-censorship" of the press continues to prevent meaningful public political debate.

The memories of Mr. Chun's violent rise to power — and the 1980 Kwangju killings by the South Korean army, in which hundreds of demonstrators died — are not forgotten. The very legitimacy of the Chun government is now being questioned by many South Koreans.

However, the picture is not altogether bleak. Although many observers minimize the importance of the government's release in August of more than 100 political prisoners and the lifting of the ban on political activity for a similar number of politicians, neither action should be discounted entirely. It appears certain that the political ban will be lifted for more politicians, although the true test will be whether it includes such prominent figures as Kim Young Sam or the exiled Kim Dae Jung. Additional releases of prisoners also seem likely.

The South Korean press gave wide coverage to calls by the government-influenced opposition in the National Assembly for the release of

political prisoners, the direct election of the president and an end to restrictions on the press. Student demonstrations, which apparently involved a number of arrests and injuries, went unreported at the same time. And although a wave of short-term arrests and detentions (particularly of students) followed the assassination of several high-ranking South Korean officials in Burma — and a number of dissidents reportedly were placed under house arrest during President Reagan's just-ended visit — no major crackdown on political opponents has yet occurred.

The weeks following the Reagan visit will be critical in determining whether this relative restraint will continue. There is cause for minimal optimism. The people who insist that numbers have little to do with the basically repressive nature of the state are correct. But a refusal to acknowledge even small progress is unlikely to lead to the peaceful transition that everyone claims to want.

Mr. Chun's frequent travels, the recent Inter-Parliamentary Union meeting in Seoul, South Korea's hosting of the Asian Games in 1986 and the Summer Olympic Games in 1988 are evidence of the regime's search for international legitimacy and respectability. But this increased international attention poses a dilemma for a government that promises democratic reforms but has yet to deliver anything meaningful.

Comparisons between South Korea and the Philippines come easily, although Mr. Chun's near-term future seems more secure than that of Ferdinand Marcos, the president of the Philippines. While



Chun Doo Hwan

the threat from North Korea is certainly real, it does not compare to the ethnic and political divisions in the Philippines that have led to at least two separate guerrilla movements. Yet few people with whom I spoke in Seoul expressed optimism about the prospects for a peaceful transition to democracy.

The first test for such a transition will be the 1985 elections for the National Assembly, which are not yet being taken seriously either by political or human-rights activists.

While it is unknown just what Mr. Reagan told Mr. Chun in their private meetings, the American president still might demonstrate to South Korea, as well as to the world, that his purported commitment to democracy can express itself through peaceful persuasion, and not serve only as a cover for military adventurism.

The writer is a Washington attorney and editor of the forthcoming "Guide to International Human Rights Practices." He contributed this column to the Los Angeles Times.

Alfonsin Wants to Hear

By Robert Cox

CHARLESTON, South Carolina — Raúl Alfonsín, whose stunning victory in the recent elections has restored democracy to Argentina, acknowledges an enormous debt of gratitude to the United States. He is gravely concerned — and rightly so — that President Reagan will fail to live up to the standards set by his predecessor in protecting Argentina's human rights.

Mr. Alfonsín believes that President Jimmy Carter's human rights policy saved thousands of lives in Argentina. It is even possible that he owes his own life to the unsentimental diplomacy of Mr. Carter's human rights team in the State Department during the three years after the military coup of March 1976 — years in which at least 6,000 people were abducted, routinely tortured and secretly murdered by the military.

Mr. Alfonsín was one of the few political leaders to speak out during those dangerous years and was the only one to play an active role in a tiny human rights commission composed almost entirely of relatives of victims of the military's repression.

Mr. Alfonsín will never forget the American Scudlet Pimpernel, like "Tex" Harris, the incredibly brave and hardworking human rights officer in the U.S. Embassy in Buenos Aires, whose office was a haven for relatives of "disappeared" people.

If American eyes, and, more important, the eyes of the U.S. government, had not been trained on Argentina in 1976 when the military adopted terrorist techniques to fight terrorism, there is no knowing when the slaughter would have stopped.

When the armed forces commanders decided to unleash their own terrorist groups, they apparently

relinquished all control over them. It is still unclear whether the paradoxically named Security Forces were required to account for their actions, whether there were simulacra of trials and whether anyone was held responsible for acknowledged "excesses." The euphemism "excesses" was applied to the murder of known innocents — of priests slaughtered in cold blood, nuns who were made to disappear and children who were given away and whose whereabouts, with the exception of a handful who have been traced to foster parents, are still unknown.

Open, sometimes aggressive expressions of U.S. concern over the tactics used by the armed forces stopped the "excesses" from becoming routine. In a country mired into silence by terror from both sides, thousands of lives were saved by U.S. diplomacy, led by the protests of Patricia M. Derian, then the assistant secretary for human rights and humanitarian affairs.

Mr. Alfonsín's election holds out the hope of a new beginning for Argentina's relations with the United States. But renewed friendly relations could founder if President Reagan's commitment to human rights is not as clearly demonstrated toward Latin America as it is toward Poland and the Eastern-bloc countries. Mr. Alfonsín says he believes that President Reagan is more concerned about defending "cruel capitalism" than about protecting human rights.

Still, this is a chance for the Reagan administration to demonstrate its commitment to democracy. A truly democratic government has emerged from the ruins of an appalling authoritarian regime. Because the new government is slightly to the left of center, economically and philosophically, Mr. Reagan will be called upon to demonstrate with actions that it is really democracy that he cares about — not ideology. Mr. Reagan may take some persuading, but it is in the U.S. interest to make a special effort to help Mr. Alfonsín consolidate a country that was until half a century ago, when the first military coup in its modern history took place, an exemplary democracy.

With democracy restored to Argentina, Mr. Alfonsín will be looking to the United States for a helping hand in another matter. With a \$40-billion foreign debt caused largely by lavish spending on arms and squandered on other projects dear to the military, Argentina needs time to pay for the mistakes of the past as well as time to rebuild them, and for the wounds of two terrorism — of the state and of subversives — to heal.

The writer, who left Argentina at the end of 1979 after death threats to his family, had lived there for 20 years, and was editor of *The Buenos Aires Herald* for 10 years. He is now assistant editor of *The News and Courier* in Charleston, South Carolina, and a member of the board of the International League for Human Rights. He contributed this article to *The New York Times*.



Ferdinand Marcos

policy in which the United States no longer is seen to be siding with President Marcos — with the repressive tactics of his military and the continued pattern of police brutality.

The time has come to stop being quiet. The Filipino people should hear loud and clear that the United States stands with them for freedom from all oppressors — including their own.

The writer, a retired U.S. judge, is chairman of the Lawyers Committee for International Human Rights. He contributed this column to the Los Angeles Times.

Sound and Fury Among the Filipinos

By Marvin E. Frankel

LOS ANGELES — The murder of Benigno Aquino Jr. has unleashed waves of popular rage in the Philippines. Huge crowds, including large numbers of middle- and upper-class citizens, are demanding justice, an end of military repression and the resignation of President Ferdinand Marcos.

We cannot yet know the outcome of this. But what we can discern is where the United States should stand, and how it should speak: in favor of the human rights of the Filipino people who have suffered too many brutal violations.

I and two other persons representing the Lawyers Committee for International Human Rights returned recently from a sojourn in the Philippines. In scores of interviews we talked with people who presented themselves as victims, or relatives of victims, of human-rights violations by the military. In addition we met with many of the small band of lawyers who fight in conditions of personal risk to prevent or redress these grievances, as well as with church groups that provide aid to victims and keep careful records of atrocities.

We also were briefed by U.S. Ambassador Michael Armacost and his

staff. Finally, we met with high officials in the Philippine government, including the president's wife, Imelda Marcos, and Juan Ponce Enrile, the minister of national defense. They told us that the accusations were largely false or exaggerated, that suitable efforts are made to punish military personnel responsible for violations and, of course and to some extent understandably, that Philippine problems must be seen in Philippine terms.

We came away with the clear sense that a large-scale pattern of gross human-rights violations continues to afflict the Philippines and that, in many important respects, the situation is worsening. In Mindanao in the southern Philippines, the first half of this year saw a dramatic rise in cases of torture, massacres and "salvage" as murders by the military have come to be known. Alleged "subversives" or "seditionists," undoubtedly including some properly suspected (but not proved), of being communists, are summarily shot.

Those who survive arrest are frequently tortured in barbaric fashion: suspects are beaten, suffocated, choked with water devices, raped and mutilated.

Such treatment was described to us by the scores of victims whom we interviewed: People are arrested and held for months or years without trial under presidential orders.

The Philippine press is freer than its counterparts in many authoritarian countries — but it operates under the steady threat of padlocks and jailings for utterances offensive to the military rulers. The Philippine Times was padlocked two days before our departure for having charged government complicity in the Aquino murder.

Certainly it is true that the Reagan administration deplores human-rights violations; this is undoubtedly the subject of "quiet diplomacy." But such diplomacy is not heard by the Filipinos. To thousands of them, the United States is seen as a close ally of the Marcos regime and its crimes.

Accordingly, President Reagan's decision to cancel his visit was proper. At least in part it signaled an implicit recognition of the severity of the situation. It remains to be seen whether the decision will be an important first step toward a new

An Urgent and Intimidating Agenda for Those Elected in 1984

By David S. Broder

WASHINGTON — A year from now, we will know the identities of the people who will lead the government of the United States through the rest of the 1980s. The president and vice president who will serve until 1989, the senators who will serve until 1991, and the representatives who will serve until 1987 will have been elected.

As one looks at the year ahead, what becomes clear is the work that will be waiting for those men and women. The agenda is intimidating enough that no wonder they will spend the next 12 months worrying for the right to shoulder that burden.

Even if the recovery continues unbroken, the next Congress and administration will face deficits in this decade dwarfing anything in the country's previous peacetime history. The federal budget deficit will start at an annual level close to \$200 billion to \$100 billion. Bringing the deficit down will require political painful choices in trimming military spending, Social Security, Medicare and domestic programs — and in raising taxes.

Without those painful decisions, however, chances are that the nation will face interest rates so high as to damage credit-sensitive sec-

tors of the economy, distorting the terms of trade. This will damage the ability to export and will, in effect, subsidize imports that cost American jobs and profits.

That will be part of a major trade policy fight. The time is soon coming when the government will have to face a critical choice: Shall the United States continue to exert its influence in an uphill battle for a more open international trading system, or shall it join most of its trading partners in restricting access to domestic markets while subsidizing foreign exports?

Closely related to the trade question are the issues of industrial and agricultural policy. Does the government have a role to play in preserving the smokesack industries and their jobs? Should it try to steer capital into high-technology industries of the future? Can politicians and bureaucrats be trusted to decide between winners and losers in industry? Can Americans afford to risk their future on competition between private American companies and government consortiums made up of foreign governments and businesses?

Farm policy presents similar dilemmas. For

years, the United States has vacillated between full production policies, dependent on foreign markets, and policies of crop control and price subsidy, geared to domestic economic and political needs. The inconsistency has brought its own costs, and a choice of direction cannot be delayed much longer.

And there will be at least five other economic issues that demand attention in the '80s. The country is witnessing an accelerating shift of people, jobs, resources and capital from state to state and region to region, creating severe problems of growth and decline. There is no settled national policy on attempting to shape that movement, so as to lessen the human and governmental costs.

For two decades, the country has postponed major national investments in the capital infrastructure. The repair bill for needed improvements in the transportation, reclamation, sanitation and anti-pollution systems is almost as great as the national debt — and even more pressing. Every bit as important are the needs of education. The debate on education, fortunately, is under way. But it is still barely

touching such profound challenges as the need for lifetime opportunities for education and for training in a time of rapid job-market changes. How to achieve quality in education while preserving equity and how to decide which level of government will pay the bills for this are still to be settled.

One must add the immigration policy question to this list, for it has a major impact on the future of the job market. Beyond that, U.S. border policy will define America's sovereignty as a nation, Americans' self-image as a people and their ties to the countries to the south.

Finally, there is, as always, the issue of the poor, made urgent by the recent growth of that population after almost two decades of progress in reducing their numbers. Almost alone among the advanced nations, the United States lacks a national income-support program. Can it wait another decade?

Simply to list these issues is to remember that much has been left undone by the divided government that has opened the '80s. Those chosen to govern next year will have fewer excuses and less time.

The Washington Post

LETTER

Afghan-what?

Regarding "Where Now Is the Afghan War?" (ET, Oct. 19) by Jay Van Dyke:

Mr. Van Dyke is unfortunately right. The West forgets such nuances as Afghanistan.

Sure, Western leaders travel regularly to the Khyber Pass area to tell the Afghan refugees how much the West supports the rebel cause. But the bottom line fact is that such staunch anti-communists as Ronald Reagan and Margaret Thatcher, in economic, trade with the Russians has advanced rapidly since Mr. Reagan rescinded the only effective Western response (puny though it was) to the Soviet invasion — namely, President Carter's grain embargo. The West's collective spouting of democratic principles must ring hollow in Afghan ears.

DON C. WAGER, South Oman.

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FROM OUR NOV. 15 PAGES, 75 AND 50 YEARS AGO

1908: Liberals Ahead in Cuban Vote. HAVANA — Indications are that the Liberal ticket, headed by General José Miguel Gomez, for President, and Señor Alfredo Zayas, for Vice-President, has defeated the ticket of the Conservatives, headed by General Mario Menocal and Dr. Rafael Montoro. Slight disorders are reported from Pinar del Rio, but the general order was not disturbed under the remarkable influence of the American officials. The Conservative junta holds on, saying that the true result is not yet known. The bulk of the electors in the rural districts will vote between five and six o'clock. But the Liberals have been carrying the day, and everything indicates their final victory.

1933: Mussolini Rejects Capitalism. ROME — Declaring that the Liberal ticket has reached the decadent phase throughout the world, Premier Mussolini today authorized the National Council of Corporations to undertake organization of Italian society to prevent this country from the melancholy condition into which he saw others falling. Europe, he said, had "ceased to direct the course of human civilization." Until existing injustices are wiped out, he added, chaos will reign on the Continent, where the League of Nations had become an absurdity. One-party political organization and the totalitarian state would be necessary conceptions before others could imitate the Italian corporate state, he said.

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When the Well-Heeled Seek to Help the Bare-Heeled

By Hays Rockwell and Linda Rockwell

NEW YORK — Traveling this past summer through refugee camps in Asia and the Middle East, we were continually confronted with the question of whether the rich can help the poor in ways that maintain dignity and foster independence. In a world so marked by the terrible disparities between wealth and poverty, what can the comfortable do to ease the plight of the disadvantaged?

We found some positive answers in the company of doctors and other health workers caring for refugees in various parts of the world. We saw these people facing the question squarely — in Hong Kong and Thailand, in the immense Afghan camps in northwestern Pakistan, in the old Palestinian camps in the Gaza Strip.

The workers came from a number of voluntary agencies, and there are differences among them as to motives and means. They are, however, agreed on certain fundamental principles of helping that can give guidance in any circumstance where people who have are trying to help people who don't.

One such principle is a determination to give those served the means of controlling their own fate. In the large Khao-I-Dong camp for Cambodian refugees, in Thailand, Western

health workers have trained Cambodian rice farmers, people with little or no formal education, to carry out major programs of sanitation, preventive medicine and the treatment of disease. Far from keeping the "secrets" of medicine to themselves, these physicians and their colleagues have shared their knowledge widely and built up a cadre of people who take responsibility for their own health and the health of their community. Classes in sanitation and disease-prevention and birth control are taught exclusively by Cambodians to Cambodians. With the passing of each month, the foreign doctors and community health advisers recede further from the picture, leaving competent Cambodians in charge.

A second important principle is the willingness of the server to take seriously the experience of the served. A very high standard of health care is maintained in Khao-I-Dong, but it is by no means the result of the imposition of a monolithic program of Western medicine. The traditional Khmer healer is not discredited and driven underground by the Cornell-trained internist. Instead, there is col-

laboration, so that the mystery of health is approached in a spirit of mutuality. Not far from the main outpatient clinics there are facilities for administering herbal medicines and the practices of massage and manipulation, which have sustained Khmer people over long generations. The result is far more durable, surely, than a fee system had been imposed willy-nilly upon another.

Third, the workers try to keep things simple. Conditions in a refugee camp do not permit elaborate facilities. In the Red Cross hospital in Peshawar, Pakistan, many patients are Afghan refugees who have lost legs to Soviet land mines. The hospital has its own workshop for making simple prosthetic devices in consultation with the patient. For a rural, semimobile Afghan, a sturdy peg leg — which can be repaired with a few bits of rubber and leather in any village bazaar — is considerably better than a handsomely designed artificial limb. What is appropriate takes precedence over the "triumph" of technological advancement.

The fourth principle is the willingness of the helpers to live among the helped. This is the most demanding

of the helping principles, and we did not meet it everywhere we went. We did, however, encounter many medical workers who, instead of opting for a comfortable life in the West, had chosen to spend some years sharing the condition of the world's outcasts. There is, for instance, the Danish hospital administrator, beyond retirement age, staying on in Gaza so that an Arab hospital can remain in business. A New Zealand pediatrician makes her home in the Chi Mai Wan camp in Hong Kong harbor, a virtual prison for Vietnamese boat people. We met a gifted and experienced American nurse, working with Afghan women to combat a near plague of tuberculosis among the refugees, living in a converted chicken coop in Pakistan's Kohat Valley.

Each of these principles is born of a certain humility and a willingness to set aside the fixed assumptions and the comforts of one's way of life in the interest of serving another. It is not easy, and it is no mere commonplace to say that it can be done.

Hays Rockwell is rector of St. James Episcopal Church in New York. Linda Rockwell is a social worker. They contributed this column to *The New York Times*.

Grenada Invasion Contadora Peace Diplomats. Am

Orfila Resigning As OAS Secretary

WASHINGTON — Orfila resigned as secretary general of the Organization of American States (OAS) today, after a year in office. He was replaced by a former ambassador to the United States.

Branch of IRA As a Leftist Tak

DUBLIN — Sinn Féin, the political wing of the Irish Republican Army (IRA), has been accused of being a "leftist take" on the IRA's traditional goals.

The debate over the IRA's future has been intensified by the recent election of a new president to the organization. The new president, who is a member of Sinn Féin, has been accused of being a "leftist take" on the IRA's traditional goals.

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Grenada Invasion Hurt Contadora Peace Effort, Diplomats, Analysts Say

By Robert J. McCartney

Washington Post Service

MEXICO CITY — The U.S.-led invasion of Grenada has set back chances for a negotiated settlement in Central America by encouraging hard-liners there who think the region's disputes can be solved only on the battlefield, according to Latin American diplomats and other analysts.

Even before U.S. marines landed on Grenada, few observers thought that the Central American peace effort led by the Contadora group had much chance of success.

Diplomats from the countries that make up the Contadora group — Mexico, Panama, Venezuela and Colombia — said the task will be even harder now that the United States has used what a Mexican Foreign Ministry official called "wild West" tactics in Grenada.

U.S. officials in the region suggested that the intervention could encourage peace talks by scaring Nicaragua's Sandinista government and encouraging it to make concessions in the Contadora process.

Under pressure from guerrillas financed by the U.S. Central Intelligence Agency, the Sandinistas have shown a greater willingness in recent months to make concessions

on several security issues that concern the Reagan administration. But Latin American and other diplomats said that this newfound flexibility was likely to go to waste because the attacks by the U.S.-backed guerrillas in Nicaragua were escalating faster than the Contadora talks were progressing. The fighting undermines the climate of trust needed for a settlement, they said.

The Contadora group's principal goal is considered to be a settlement between Nicaragua and the more conservative governments of Honduras, Costa Rica, El Salvador and Guatemala.

In a sign of progress last month, those five governments endorsed in principle a Contadora document calling for sweeping steps to dampen the region's conflicts. The proposal would require each country to halt any support for rebels in other countries, reduce arms stockpiles and foreign military advisers and promote internal democracy.

At a Contadora meeting in Panama beginning Thursday, the countries will start the much more difficult task of determining how to put this document into effect.

The Grenadian intervention was viewed as likely to harden the positions of the four conservative governments, particularly Honduras.

Senior Honduran military officers have said in the past that they doubted a negotiated settlement was possible with neighboring Nicaragua, and some envoys think the Hondurans are acting for some provocative action by Managua that would justify a request for direct U.S. intervention against the Sandinistas.

Most diplomats interviewed, however, doubted that the United States would attempt a direct military intervention in Nicaragua before the 1984 U.S. presidential election because the military and diplomatic cost would be much higher than in Grenada.

Instead, most observers expect a continuation of attacks on Nicaragua by the CIA-funded guerrillas. There is general agreement that neither the Sandinistas nor the rebels are strong enough to win a decisive military victory soon.

Orfila Resigning As OAS Secretary

The Associated Press

WASHINGTON — Alejandro Orfila, secretary-general of the Organization of American States, said Monday he is resigning his post, effective early next year. Mr. Orfila, a native of Argentina, won a second five-year term in 1979.

He complained that the OAS too often has been at the periphery of hemisphere events, including the invasion of Grenada last month.

"A disenchanted world finds that international agencies have not fully succeeded in achieving the very ambitious goals that brought them into existence, and many countries are dangerously retreating to bilateral solutions," he said.

Branch of IRA Is Shaken As a Leftist Takes Over

The Associated Press

DUBLIN — Sinn Féin, the political wing of the Irish Republican Army, was showing signs of division Monday after a takeover of the movement's Dublin leadership by a group of Northern Ireland-based leftists led by the new president, Gerry Adams.

Mr. Adams, who has directed a string of electoral gains for Sinn Féin in British-ruled Northern Ireland during the last two years, wants to transform the nationalist organization into a populist movement in the Irish Republic.

"It's a matter of survival," an official close to Mr. Adams said Sunday night. "The shake-up was necessary."

The defeated Dublin-based faction opposes Mr. Adams's strategy, claiming it would water down the movement's nationalist ideology and revolutionary aims.

Mr. Adams, elected president Saturday at Sinn Féin's two-day annual congress, says he believes the movement has to broaden its base in the republic and drop its 62-year ban on taking seats in the Dublin parliament.

The old-style nationalists in Dublin, led by Rory O'Brady, say they believe dropping the cherished ideal of "abstentionism" in a legislature is a betrayal. The parliament accepted the partition of Ireland in 1921.

Mr. O'Brady, 55, resigned Friday after serving as president for 13 years. He complained of poor health.

Sinn Féin's vice president, David O'Connell, also resigned. He said without elaboration that the new leadership, with half the eight-member central committee now reappointing Mr. Adams, was "not representative of the organization as a whole."

Mr. Adams, in his inaugural address Sunday, criticized Sinn Féin's dreariness under the Dublin leadership and called for a new political offensive.

He said that outside of its nationalist policy, Sinn Féin had "to a great extent" been isolated in the

26 counties of the republic and that "we have failed to develop the social and economic momentum which our party began during the '60s."

Electoral advances by the mainly Roman Catholic Sinn Féin in Northern Ireland have alarmed the Dublin and London governments because they threaten to eclipse moderate Catholic opinion in the British province and destabilize the republic.

The IRA is fighting to drive the British from predominantly Protestant Northern Ireland. It wants to unite the province with the overwhelmingly Catholic republic.

Its long-range objective is to overturn the political establishment in Dublin and create a socialist state in Ireland.

Mr. Adams scored a victory at the congress by winning agreement to discuss ending abstentionism from parliament, despite a warning from Mr. O'Brady that abandoning the policy would split the movement.

"I've shared platforms with people who advocated that and see where they are now — in their graves," Mr. O'Brady said. Giving it up "is as alien as saying that the IRA should discuss a surrender of its arms. It's unthinkable."

French Right Wins 5th Straight Town In By-Elections

United Press International

PARIS — France's rightist opposition has scored its fifth successive victory in municipal by-elections and has ended the Communist Party's 18-year tenure in a working-class suburb of Paris.

The list headed by Jean-Claude Abricoux of the neo-Gaullist Rally for the Republic easily won control Sunday of the town council of Aulnay-sous-Bois, collecting more than 54 percent of the vote.

Mr. Abricoux's list had opened a lead over the Communist mayor, Pierre Thomas, in the first round of voting the previous week. He appeared to have won with help from voters who had supported the extreme rightist National Front.

The municipality was one of six in which leftist victories in nationwide local elections last March were annulled after courts found evidence of vote rigging.

The Socialist-Communist governing alliance has lost five of the six by-elections that were called after the irregularities were found. In addition to Aulnay-sous-Bois, in Paris's northern suburbs, they are Dreux, in the west; Antony and Villeneuve-Saint-Georges, in the south, and Sarcelles, in the north.

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FIRSTS BY DEFECTOR — Wang Xuecheng, center right, the first pilot from the Chinese Navy to defect to Taiwan, at a news conference with Wu Yung-keng, who defected from the Chinese Air Force 13 months ago. The Taiwanese pilots flanking them escorted Mr. Wang to his landing Monday morning. His MiG-17 jet, the first flown to Taiwan by a Chinese pilot, will bring him a reward of gold worth \$1.5 million.

U.S. Aide Calls New Funds Insufficient To Give Salvador Military Help It Needs

By Seth S. King

New York Times Service

WASHINGTON — El Salvador's armed forces need greater mobility to counter recent guerrilla attacks, but Congress has not appropriated enough money to provide this, according to Fred C. Ikle, undersecretary of defense for policy.

"With the \$64.8 million appropriated for 1984, we can't do enough to improve their ability to respond quickly," Mr. Ikle said Sunday in a telephone interview.

The undersecretary returned Friday from a tour of Central America with Elliott Abrams, assistant secretary of state for human rights and humanitarian affairs.

The tour included talks with leaders of El Salvador and Guatemala in which violations of human rights in the two countries were discussed.

"I weighed in with Abrams on this subject," Mr. Ikle said. "There are different problems in the two countries and different abuses, which we raised with those leaders."

Regarding the government of El Salvador's efforts against Salvadoran guerrillas, Mr. Ikle said: "We came away with the impression that in El Salvador, particularly, the government needs much more mobility, both in providing reinforcements when guerrillas attack and in evacuating the wounded from those attacks."

On the question of human rights abuses, the State Department, in particular, has been increasingly concerned about the recent activities of rightist death squads in El Salvador. These activities include attacks on the country's highest church officials and on labor union leaders. The attacks have been stepped up, embassy officials have said, as U.S. pressure for land reform has increased.

The U.S. Embassy, in the past two weeks, has been pressing the government of El Salvador to take action against a number of army and security officers who are believed to be suspected of involvement in assassination squads, embassy officials have said.

Meanwhile, about 2,000 soldiers

in his first homily in San Salvador's cathedral following a two-month visit to Rome, the archbishop also said 178 persons died in combat last week.

The Maximiliano Hernandez Martinez Anti-Communist Brigade, named for a 1930s dictator who crushed a Communist-led peasant rebellion, recently warned Archbishop Rivera y Damas and other churchmen to stop "misinforming" the public about rightist activities.

The archbishop said the Episcopal Conference of El Salvador had asked the government "to investigate and detain the villains of the death squads."

Meanwhile, about 2,000 soldiers

Communist Resigns Post As Head of French Mines

By Paul Lewis

New York Times Service

PARIS — The Communist head of France's state-owned coal mines resigned Monday to protest government cuts in coal production.

The cuts are being forced on the Socialist-led coalition government by the threat of an expensive energy glut brought about by economic recession and France's ambitious drive to reduce its dependence on imported oil.

Georges Valbon, a member of the Communist Party Central Committee whom the Socialists appointed two years ago to run the mining group Charbonnages de France, said he was leaving because "government policy on coal no longer corresponds to the conception I have of the mission I was given."

He was referring to the Socialist decision to freeze next year's subsidy to the coal-mining industry at this year's level of 6.5 billion francs (about \$800 million), which means production will fall slightly below this year's expected production of 18 million tons. Before taking office, the Socialists, with strong Communist support, pledged to increase coal production to 30 million tons a year.

Mr. Valbon's resignation is certain to exacerbate political tension within the Socialist-dominated government, which includes four Communist ministers.

The Communists have become increasingly unhappy with the austerity policy the Socialists are following.

In his resignation letter, Mr. Valbon said the draft budget for 1984 "can only lead to a programmed decline of national production, to the closure of mines which should and could remain active, to fewer jobs for miners and to a deterioration of the economic situation of the coal-producing regions."

French government planners warned last summer that slow economic growth and improvement in conservation meant the country was heading for a serious energy glut by the end of the next decade.

Some sources said coal production would be allowed to fall to 10 million or 12 million tons a year, implying a big increase in unemployment in mining areas.

According to some estimates, French coal mines would have needed 10 billion to 12 billion francs next year to start increasing production as the government pledged. This amount is close to the 14 billion francs the Socialists plan to spend on aiding the rest of the country's industry.

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Leader of Bangladesh Calls Elections for 1984

Reuters

DHAKA, Bangladesh — The military ruler of Bangladesh announced Monday that presidential elections would be held in May and that free political activity would be permitted immediately.

In a broadcast speech, Lieutenant General Hossain Mohammad Ershad, the ruler, also said parliamentary elections would take place on Nov. 25, 1984, four months ahead of his previously announced schedule for ending martial law.

He preceded his election announcement by saying that the voting would be held "if peace and discipline are ensured."

The general made his unexpected statement a few hours before the scheduled arrival in Dhaka of Queen Elizabeth II of Britain.

"For a smooth transition to democracy, it is essential that we create a peaceful climate for an election," he said. "Believing that most of the political parties will show wisdom and responsibility in this respect, I hereby permit open politics from this moment."

General Ershad, who ousted President Abdus Sattar in a bloodless coup in March 1982, said the presidential elections would be held next May 24. He did not refer to his own political intentions, but earlier this month he said he would run for president.

General Ershad has been under strong pressure from two alliances of 22 opposition parties to hold parliamentary elections.

He called Saturday for a fresh dialogue with the opposition after the two groupings announced a 12-day campaign against martial law, beginning Wednesday, to protest his refusal to hold speedy elections.

A general strike was held while General Ershad was in Washington at the beginning of the month. On Nov. 7 an estimated 3,000 people marched through Dhaka in defiance of martial law, which has been in effect for 19 months.

General Ershad said at the time of his coup that he was taking over to end rampant corruption and government inefficiency and put the country on the road to development.

He said Monday, "Nobody wishes that military rule should go on. Nonetheless, there are 66 countries in the world being run by the military. Keeping that in mind, we are trying to set an example of our respect for democracy and the gradual lifting of martial law."

Former Prime Minister Shah Azizur Rahman, an opposition leader, said of the general's announcement, "This is contrary to our demand that parliamentary elections must precede all other polls."



Mother Pascalina Lehnert

Pascalina Lehnert

Dies; an Assistant

To Pope Pius XII

The Associated Press

VATICAN CITY — Mother Pascalina Lehnert, 89, the German-born nun who zealously guarded the privacy of Pope Pius XII as his chief housekeeper, died Sunday in Vienna, the Vatican announced Monday.

She served Pope Pius throughout his pontificate, 1939-1958, and was considered a powerful figure in the Vatican, especially in the pope's later years, when he was often sick. Even top Vatican prelates often sought her permission before applying for a papal audience.

She founded a Rome-based order after the pope died. She went to Vienna last week and took part in ceremonies commemorating the 25th anniversary of his death. She was hospitalized last Thursday after falling while boarding a plane for Rome.

Other deaths: Alfred Lowenguth, 72, a violinist who led a celebrated chamber music quartet for about 40 years, in Paris Friday, his family said.

Vittorio Vialli, 83, a founder of Italy's Communist Party, Wednesday in Trieste.

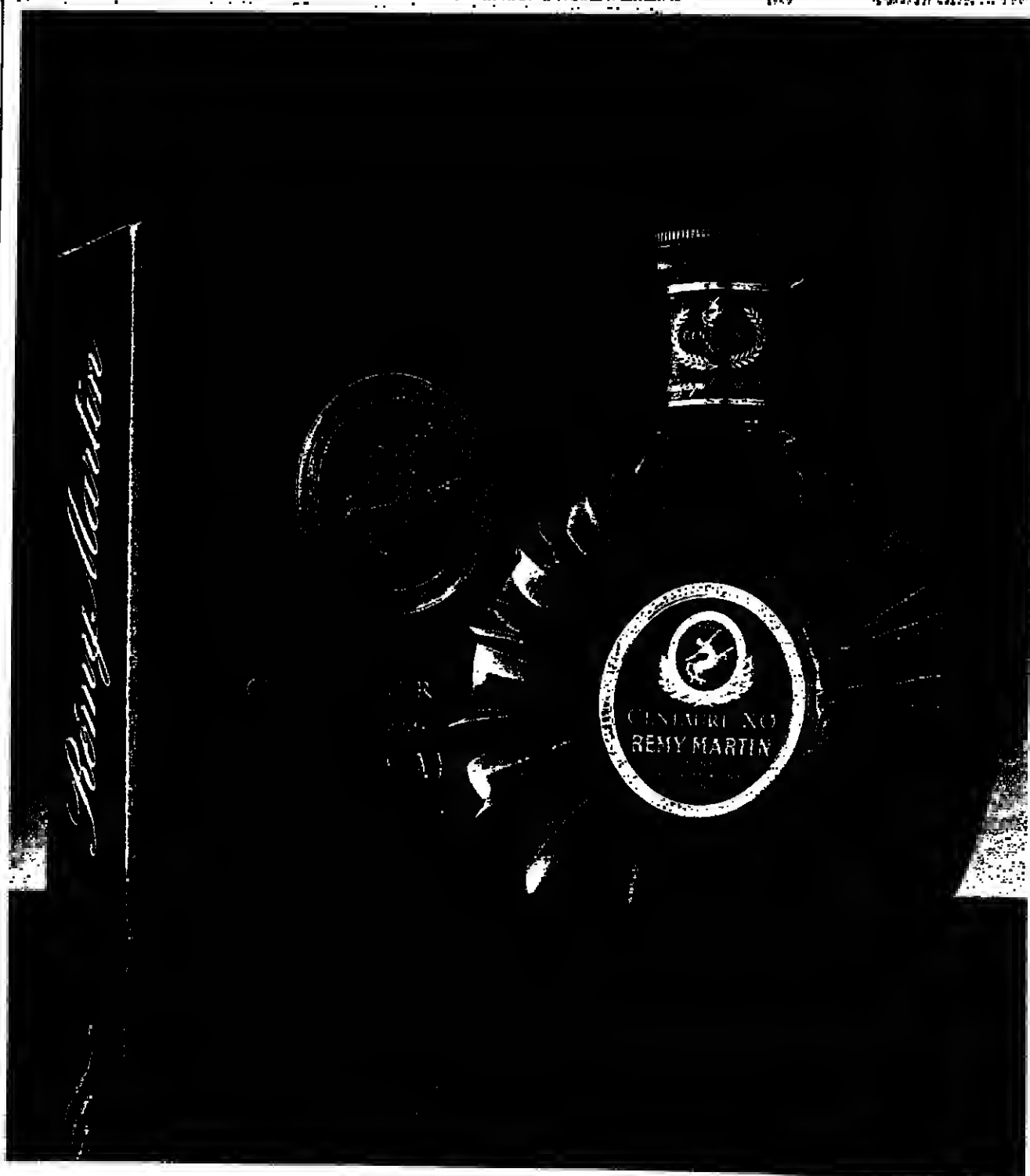
André Chamson, 83, writer, veteran of the World War II French Resistance and member of the French Academy, Tuesday in Paris.

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COMMODITIES

By H. J. MAIDENBERG

Market Analysts Are Saying That Price Of Gold Has Reached Or Is Near Bottom

NEW YORK — The price of gold bullion finally rose last week, after plunging for six straight weeks. While spot gold gained only \$3.90 an ounce, to \$384.10, the consensus among market analysts is that if the bottom has not been reached, then it is close at hand.

But didn't they also hold that view during the six-week decline that pulled bullion prices down from \$420 to as low as \$375? Yes, according to Standard & Co., whose metals specialists explained why even bullish traders had joined the sellers during the recent decline by quoting a Will Rogers observation on market behavior: "Even if you're on the right track, you'll get run over if you just sit there."

Another expert, Charles R. Stahl, publisher of Great's Commodity Market Comments, said Sunday in a telephone interview from Princeton, New Jersey, "In following gold for 40 years I have never seen anyone pick a market bottom. No market ever looks good when it hits bottom. But now most technical and fundamental indicators are signaling that the next important move will be up, even if there is a short-term decline to the current support level of \$370."

Jeffrey A. Nichols, metals-market research director at J. Aron & Co., a major metals dealer and subsidiary of Goldman, Sachs & Co., also firmly believes that the next move in gold is upward.

"All commodity prices are not only a result of trends in supply and demand but, in turn, are a major influence on the evolution of supply and demand. Looking at the results of the recent decline in gold, we see significant bullish developments already taking place in the gold and silver markets," Mr. Nichols said Friday.

Specifically, the supply picture shows that the flow of scrap gold to refiners has all but dried up in recent weeks. It was such scrap sales that helped break the gold market in 1980. Mr. Nichols said. "Indeed, in 1980 such secondary supplies of silver exceeded new mine production."

Not only are individuals unwilling to part with gold at current prices, but producers are also reluctant. Much of the primary source of gold and most of silver comes as a byproduct of copper mining. Many mining companies are stockpiling their precious metals rather than accept current prices.

Moreover, many of the United States' copper and other base-metal mines have either closed or had reduced activity because of the surplus of cheap foreign supplies or lack of domestic industrial demand.

On the demand side, individual investors in the United States and abroad continue to follow their practice of increasing purchases of bullion coins and bars whenever the price of gold declines. Sales of South African Kruggerands are typical of this phenomenon. In September, Kruggerand sales totaled 77,000 ounces (7,734 kilograms) worldwide. Last month, as gold prices tumbled, the sales soared to 379,000 ounces.

In fact, Mr. Nichols points out, in the first 10 months of 1983, a time when gold prices fell roughly 10 percent, Kruggerand sales climbed 39 percent to 3.9 million ounces, which was 14 percent more than total sales for 1982. Sales of other bullion coins showed smaller but still impressive increases, he said.

Strong Japanese Reaction

Nowhere does the demand for gold increase so sharply with the drop in price as in Japan. Last September, Japanese imports of gold totaled 257,000 ounces. In October, when prices plunged, the imports jumped to 580,000 ounces.

Hoarders are not the main reason for the increased demand for gold during periods of falling prices, Mr. Nichols continued. "Every time our economy recovers from a recession, demand for gold jewelry rises and that is no exception. With this in mind, jewelry manufacturers have seized upon the recent decline in prices to stockpile gold."

What about the impact of high interest rates on bullion? This is one of the major negative "technical factors" that have kept a lid on gold prices, he replied, adding that high rates are still having that effect. As long as investors can get a high real return on money-market and other "paper investments," gold will not be attractive to them.

But if the real returns (investment yields less the inflation rate) should decline, then investors will join the gold hoarders in putting a portion of their savings into bullion. Today, returns on money-market funds exceed the inflation rate by about four percentage points.

Thus the demand for gold will continue to come mostly from jewelry and other industrial users, long-term hoarders and those in foreign countries with rapidly depreciating paper-currency values.

New York Times Service

CURRENCY RATES

Interbank exchange rates for Nov. 14, excluding bank service charges

Currency	Per \$100	Per \$100	Per \$100	Per \$100	Per \$100	Per \$100	Per \$100	Per \$100	Per \$100
Amsterdam	2.280	4.460	11.150	3.345	6.100	3.514	3.514	3.514	3.514
Berlin	2.485	4.970	12.425	3.727	6.950	3.727	3.727	3.727	3.727
Frankfurt	2.475	4.950	12.375	3.712	6.900	3.712	3.712	3.712	3.712
London	1.664	3.328	8.320	2.080	4.160	2.080	2.080	2.080	2.080
Paris	6.545	13.090	32.725	8.181	16.362	8.181	8.181	8.181	8.181
Switzerland	2.000	4.000	10.000	2.500	5.000	2.500	2.500	2.500	2.500
West Germany	2.480	4.960	12.400	3.700	7.400	3.700	3.700	3.700	3.700
Japan	163.25	326.50	816.25	204.12	408.25	204.12	204.12	204.12	204.12
Italy	1.360	2.720	6.800	1.700	3.400	1.700	1.700	1.700	1.700
Spain	166.64	333.28	833.20	216.80	433.60	216.80	216.80	216.80	216.80
Sweden	4.660	9.320	23.300	5.825	11.650	5.825	5.825	5.825	5.825
Denmark	4.660	9.320	23.300	5.825	11.650	5.825	5.825	5.825	5.825
Norway	4.660	9.320	23.300	5.825	11.650	5.825	5.825	5.825	5.825
Finland	4.660	9.320	23.300	5.825	11.650	5.825	5.825	5.825	5.825
Greece	34.075	68.150	170.375	42.594	85.187	42.594	42.594	42.594	42.594
Portugal	200.48	400.96	1002.40	250.60	501.20	250.60	250.60	250.60	250.60
Belgium	36.363	72.726	181.815	45.454	90.909	45.454	45.454	45.454	45.454
Netherlands	3.760	7.520	18.800	4.700	9.400	4.700	4.700	4.700	4.700
Australia	0.725	1.450	3.625	0.912	1.825	0.912	0.912	0.912	0.912
New Zealand	0.475	0.950	2.375	0.594	1.187	0.594	0.594	0.594	0.594
South Africa	0.625	1.250	3.125	0.781	1.562	0.781	0.781	0.781	0.781
India	15.750	31.500	78.750	19.688	39.375	19.688	19.688	19.688	19.688
China	6.460	12.920	32.300	8.175	16.350	8.175	8.175	8.175	8.175
Hong Kong	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Singapore	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Malaysia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Thailand	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Philippines	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Indonesia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Brunei	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Saudi Arabia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
U.A.E.	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Qatar	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Oman	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Yemen	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Sri Lanka	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Maldives	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Bhutan	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Nepal	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Bangladesh	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Pakistan	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Iran	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Turkey	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Israel	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Jordan	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Syria	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Lebanon	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Libya	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Algeria	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Morocco	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Tunisia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Malta	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Cyprus	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
San Marino	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Vatican	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Monaco	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Liechtenstein	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Andorra	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
San Pedro de Macoris	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Guatemala	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
El Salvador	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Honduras	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Nicaragua	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Costa Rica	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Panama	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Dominican Republic	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Haiti	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Jamaica	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Cuba	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Venezuela	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Colombia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Ecuador	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Peru	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Bolivia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Paraguay	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Uruguay	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Argentina	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Chile	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Brazil	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Uruguay	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Paraguay	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Bolivia	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Peru	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Ecuador	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Chile	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750
Brazil	7.800	15.600	39.000	9.750	19.500	9.750	9.750	9.750	9.750

INTEREST RATES

Eurocurrency Deposits Nov. 14

Term	1M	3M	6M	12M	1Y	2Y	3Y	4Y	5Y
1M	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
3M	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
6M	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
12M	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
1Y	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
2Y	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
3Y	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
4Y	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
5Y	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75

Key Money Rates					
United States			Britain		
	Close	Prev.		Close	Prev.
Discount Rate	8 1/2	8 1/2	Bank Base Rate	9	9

NYSE Most Actives									
Vol.	High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.
ATT	16,995	43 1/2	43 1/2	+1 1/2	IBM	10,974	107 1/2	107 1/2	+1 1/2
Amgen	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2
Boeing	10,974	107 1/2	107 1/2	+1 1/2	Boeing	10,974	107 1/2	107 1/2	+1 1/2

Dow Jones Averages									
Index	Open	High	Low	Close	Chg.	Index	Open	High	Low
Indus	126.81	128.84	128.14	128.14	+0.33	Comp	126.81	128.84	128.14
Trans	126.81	128.84	128.14	128.14	+0.33	Indus	126.81	128.84	128.14
Unif	126.81	128.84	128.14	128.14	+0.33	Trans	126.81	128.84	128.14
Comp	126.81	128.84	128.14	128.14	+0.33	Unif	126.81	128.84	128.14

NYSE Index									
High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.	Vol.
126.81	126.81	128.84	+0.33	126.81	126.81	126.81	126.81	+0.33	126.81
126.81	126.81	128.84	+0.33	126.81	126.81	126.81	126.81	+0.33	126.81
126.81	126.81	128.84	+0.33	126.81	126.81	126.81	126.81	+0.33	126.81
126.81	126.81	128.84	+0.33	126.81	126.81	126.81	126.81	+0.33	126.81

Monday's NYSE Closing									
Vol. of 4 a.m.	6,680,000	Prev. 4 p.m. Vol.	7,570,000	Prev. Consolidated Close	87,555.10	Tables include the nationwide price	Up to the closing on Wall Street		

AMEX Diaries									
Advanced	Declined	Unchanged	New Issues	Volume	High	Low	Close	Chg.	Vol.
4,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000

NASDAQ Index									
Composite	Indus	Trans	Comp	Unif	High	Low	Close	Chg.	Vol.
2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000

AMEX Most Actives									
Vol.	High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.
10,974	107 1/2	107 1/2	107 1/2	+1 1/2	10,974	107 1/2	107 1/2	107 1/2	+1 1/2

NYSE Diaries									
Advanced	Declined	Unchanged	New Issues	Volume	High	Low	Close	Chg.	Vol.
4,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000	2,107,000

Dow Jones Bond Averages									
Bonds	High	Low	Close	Chg.	Bonds	High	Low	Close	Chg.
7.87	7.87	7.87	7.87	+0.10	7.87	7.87	7.87	7.87	+0.10

AMEX Stock Index									
High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.	Vol.
226.4	218.7	219.7	+1.1	226.4	226.4	226.4	226.4	+1.1	226.4

Standard & Poors Index									
Indus	Trans	Comp	Unif	High	Low	Close	Chg.	Vol.	High
189.82	189.82	189.82	189.82	189.82	189.82	189.82	189.82	189.82	189.82

Dow Jones Bond Averages									
Bonds	High	Low	Close	Chg.	Bonds	High	Low	Close	Chg.
7.87	7.87	7.87	7.87	+0.10	7.87	7.87	7.87	7.87	+0.10

AMEX Most Actives									
Vol.	High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.
10,974	107 1/2	107 1/2	107 1/2	+1 1/2	10,974	107 1/2	107 1/2	107 1/2	+1 1/2

AMEX Stock Index									
High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.	Vol.
226.4	218.7	219.7	+1.1	226.4	226.4	226.4	226.4	+1.1	226.4

BUSINESS BRIEFING

Air Lines Reports Profit Contrast to Deficit a Year Ago

UNITED AIRLINES reported a 1983 operating profit of \$100 million, a sharp contrast to a \$100 million deficit a year ago. The profit was achieved despite a 10% increase in operating costs and a 15% increase in fuel costs. United's president, Robert F. Isom, said the company's success was due to "a combination of factors, including a 10% increase in operating costs and a 15% increase in fuel costs." Isom also noted that the company's operating profit was "a significant improvement over the \$100 million deficit reported in 1982."

Accidental Petroleum Corp.

ACCIDENTAL PETROLEUM CORP. has announced that it has acquired a 50% interest in the company. The acquisition was completed on November 10, 1983. The company's president, Robert F. Isom, said the acquisition was "a significant improvement over the \$100 million deficit reported in 1982."

W. German Exports

WEST GERMANY'S exports to the United States have increased by 10% in the first nine months of 1983 compared with the same period in 1982. The increase was due to a 10% increase in operating costs and a 15% increase in fuel costs. West Germany's president, Robert F. Isom, said the increase was "a significant improvement over the \$100 million deficit reported in 1982."

Shibashi Motors Says Profit

SHIBASHI MOTORS has reported a 1983 operating profit of \$100 million, a sharp contrast to a \$100 million deficit a year ago. The profit was achieved despite a 10% increase in operating costs and a 15% increase in fuel costs. Shibashi's president, Robert F. Isom, said the company's success was due to "a combination of factors, including a 10% increase in operating costs and a 15% increase in fuel costs."

Frankfurt Bourse President

FRANKFURT'S BOURSE has announced that it has acquired a 50% interest in the company. The acquisition was completed on November 10, 1983. The company's president, Robert F. Isom, said the acquisition was "a significant improvement over the \$100 million deficit reported in 1982."

Enter to Seek Advice on S

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\$6.5-Billion Loan For Brazil Seems Ass

A \$6.5-BILLION loan for Brazil seems assured. The loan was announced by the International Monetary Fund (IMF) on November 10, 1983. The loan was intended to help Brazil with its economic problems. The IMF's president, Robert F. Isom, said the loan was "a significant improvement over the \$100 million deficit reported in 1982."

BUSINESS BRIEFS

Japan Air Lines Reports Profit in Half In Contrast to Deficit a Year Earlier

TOKYO (AP) — Japan Air Lines said Monday its consolidated profit for the six months ended Sept. 30 totaled 3.23 billion yen (\$13.7 million), in contrast to a loss of 3,143 billion yen a year earlier.

Japan's national flag-carrier said its finances were helped by a 4.7-percent decrease in operating expenses because of the decline in fuel prices.

Revenue, however, fell 0.5 percent to 384.02 billion yen from 385.92 billion yen, because of a 2.4-percent decline in the number of passengers on domestic routes and a 3.1-percent drop on international flights.

Japan Air, 37.7 percent of which is owned by the Finance Ministry, blamed the passenger decline on increasing competition among airlines on international routes. It specifically pointed to new flights begun by United Air Lines and Philippine Air Lines on Pacific routes.

GE to Keep Stake in Coal Properties

MELBOURNE (Reuters) — General Electric Co. of the United States is to retain a 20-to-25-percent stake in Utah International Inc.'s Queensland coal properties and take a similar stake in Broken Hill Proprietary Co.'s Gregory coal mine, GE and BHP said Monday. The announcement came in a revised agreement for the acquisition from GE of Utah by a group led by BHP, the two companies said.

The announcement said the new agreement establishes a firm basis for completing the transaction in April 1984.

The proposed \$2.4-billion purchase price is to be adjusted for the value of the property to be retained by GE. BHP is to retain the remaining 75 percent of its holding in the Gregory mine, and the group is to hold 40 percent of Utah's Queensland coal properties.

Occidental Petroleum Corp. to Sell Unit

NEW YORK (Reuters) — Occidental Petroleum Corp. said Monday that it signed a definitive agreement to sell its Permian Corp. subsidiary to Wesray Operations Inc., an affiliate of Wesray Corp.

The sale price is to be \$250 million in cash, a promissory note for a further \$75 million, cash from the sale of existing crude-oil inventory valued at about \$50 million and a warrant to buy 7.5 percent of the stock of Wesray Operations, Occidental said.

Occidental added that it would retain certain of Permian's assets and liabilities. The cash will be used to reduce Occidental's obligations incurred in acquiring Cities Service Co., Occidental said.

Fall in W. German Exports Said to End

FRANKFURT (Reuters) — The decline in West German exports may have bottomed out, but lasting export recovery will only come with stronger worldwide growth in demand for capital goods, Deutsche Bank said Monday in its latest economic report.

An inflation-adjusted 3-percent growth in industrial orders for July to September compared with the previous three months shows the West German recovery will continue into this quarter, it said.

So far demand for capital goods has been isolated. Although domestic demand showed little movement from the middle of the year, foreign demand has gradually improved, the report said.

Mitsubishi Motors Says Profit Off 52%

TOKYO (AP) — Mitsubishi Motors Corp. said Monday that an unfavorable yen-dollar exchange rate, higher labor costs and lower passenger-car sales contributed to a 52-percent decline in its profit for the first half of its fiscal year.

The company said its profit for the six months ended Sept. 30 was 3.88 billion yen (\$16.6 million), down from 8.11 billion yen a year earlier. Revenue rose 6.9 percent to 557.2 billion yen from about 511 billion yen a year earlier.

Mitsubishi said it expects its full-year profit to fall 28.9 percent from the level of a year earlier on a 10.2-percent revenue rise.

Frankfurt Bourse President Elected

FRANKFURT (Reuters) — Karl-Oskar Koenigs, a partner in the private West German banking house B. Metzler, Sohn & Co., has been elected president of the Frankfurt Stock Exchange, a bourse spokesman said Monday.

He succeeds Ferdinand von Galen, senior partner of Schröder, Münchmeyer, Hengst & Co., who resigned from the stock exchange position earlier this month after his bank had to be rescued by other banks.

Mr. Koenigs had been bourse president for 14 years before being replaced by Mr. von Galen in 1982.

Reuter to Seek Advice on Stock Sale

LONDON (Reuters) — The trustees of Reuter will seek independent legal advice about a possible capital reconstruction and sale of stock in the company, Angus McLachlan, chairman of the trustees, said Monday.

Mr. McLachlan said the trustees have been informed of the general concept of such actions, "but we are still awaiting its details." He said it has been wrongly implied that because the 10 trustees had all been nominated by newspaper companies "that we shall rubber-stamp anything that is formally proposed by the board."

Since 1941 Reuter has been a company that has been barred by its owners — associations of British, Irish, Australian and New Zealand newspapers — from selling stock to outsiders. But last week the Reuter board said it has been advised by its lawyers that the Reuter trust agreement can be terminated by unanimous decision of the owners without reference to outsiders. That view, however, has been questioned.

\$6.5-Billion Loan Package For Brazil Seems Assured

(Continued from Page 7) they gave Mr. Rhodes and the advisory committee high marks for the way the loan was promoted.

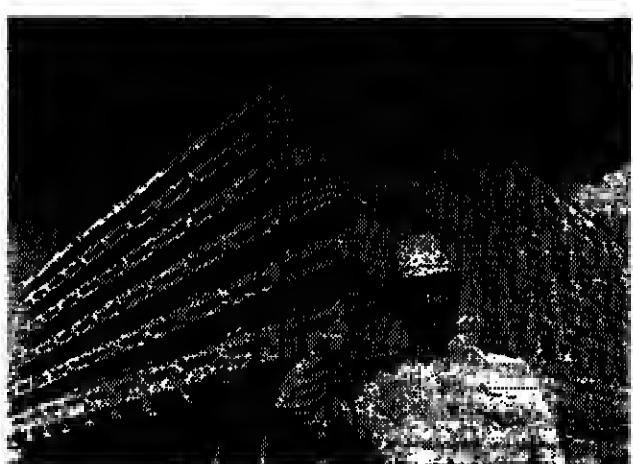
But regional bankers in the United States and Europe, as well as representatives at major money-center banks in New York, were highly skeptical that Phase 2 would do much to ease Brazil's debt burden.

To do that, they asserted, the root cause of Brazil's cash-flow problems — high rates of interest, which have pushed Brazil's interest payments beyond its ability to service them — would have to be addressed. The banking sources added that steps to correct that problem should be taken before Brazil returns for additional money in what is likely to be the next six to eight months.

The emergence of a drive to formulate a longer-term strategy through a sharp reduction in interest rates diverges from the current strategy, which is directed at Brazil's immediate financing requirements. According to this strategy, once the country's short-term problems have been addressed, confidence about the country's prospects will return and Brazil will be able to raise capital on its own.

That sort of an approach appears to be working in Mexico, which has much short-term debt. But bankers are becoming increasingly convinced that it should not be applied in Brazil.

"Phase 2 will work for right now, particularly in light of the passage of the wage law," said another American regional banker, who was referring to the decision of the Brazilian Congress to limit wage increases for all salaried employees to 87 percent of inflation. "But this package is not a final solution. And if Phase 3 merely addresses what the Brazilians are going to need in 1985, it won't have a chance in the



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Norwegians Prepare Plan to Help Russia Develop Offshore Oil

By Henry Henriksen

OSLO — Seven Norwegian oil companies have worked out a plan for the Soviet Union to develop oil and gas fields on its part of continental shelf in the Barents Sea.

Under the plan, the group, Barents Sea Offshore Consortium of Norway, would provide the Soviet Union with services, equipment and installations for oil and gas production in the Arctic Ocean area, Jan O. Helness, managing director of the group, said in an interview Monday.

The proposals are to be given Tuesday to Soviet authorities in Moscow, he said.

One of the companies, Norwegian Petroleum Consultants, com-

peting with other Western organizations, won a contract in April with the Soviet Sudimport company to draw up the plan.

Mr. Helness said the group decided in August to set up the consortium to pool their expertise in offshore activities in tough climatic

conditions such as those in the Barents Sea.

He said Soviet officials opted for the Norwegian plan after visiting Norwegian companies and offshore installations.

One of the consortium companies, Geoco, specializes in doing

Soviet Is Reported to Offer Oil-Price Cut

ROTTERDAM — A French oil customer said the Soviet Union had offered a 40-cent cut in the \$29.50-a-barrel November contract price of its Urals crude.

But the customer, which did not want to be identified, is pressing for a larger price cut, and said it expects a lower offer Tuesday.

Other contract holders said they have heard nothing yet about any price cut for the oil.

Another company is Norwegian Contractors, which built the lowering concrete production platforms on the sea bed in the Statfjord field of the North Sea.

Kongsberg Vassanfabrikk has already supplied positioning gear to Soviet drilling ships.

Others in the group are Det Norske Veritas; one of the largest ship-registration companies in the world; the Kvaerner Engineering Group, and the Akor group of shipyards.

Norwegian technical services and equipment were put on show in September at an oil-industry fair in Baku, the Caspian Sea oil-producing capital, and were well received

by the Russians, Mr. Helness added.

He said Soviet officials could find oil and gas in their part of the Barents Sea within five years.

The Soviet Union started drilling last year, although little is known about the results, he said. But the Russians needed Western technology for mapping and exploiting possible discoveries, and the Norwegian consortium wanted to be ready to make the right offers, he added.

How to divide the resources of the Barents Sea has been a long-standing issue between Norway and the Soviet Union. Soviet officials recently decided to reopen talks on the issue, and negotiations are to take place in the Soviet capital next month.

The decision to hold talks, coming after the Soviet Union demonstrated interest in the Norwegian development plan, was seen as an indication that Soviet officials may be more willing to consider a political solution in the dispute.

Shagari Resisting IMF Pressures for a Devaluation

(Continued from Page 7)

agree that because of a combination of factors — including the oil glut, mismanagement of the Nigerian economy and corruption — this country of 100 million people now finds itself in its worst economic crisis.

President Shagari emphasized that his "preoccupation" now would be with "revamping the national economy."

"I have always believed that Nigeria was overdependent on its oil revenues — we need to remind Nigerians that our country is essentially an agricultural economy," Mr. Shagari said. "We now want to shift our emphasis toward modernizing agriculture and making Nigeria self-sufficient in food. I believe it can be done."

He said he was disappointed with a number of U.S. businessmen who had initially promised to assist Nigeria with its plans to develop agribusinesses and ranch-style farming. The focus of these plans

"I intend to renew my call for foreign investment in our agricultural plans, particularly from the United States," the president said.

Mr. Shagari said during the interview that along with accelerated agricultural development, Nigeria would now promote the growth of small-scale industries that were not heavily dependent on the import of raw materials. Nigeria's ambitious

national development plans had assumed oil production of two million barrels a day by 1985, but production is now down to less than a million barrels a day. More than 90 percent of the country's total foreign-exchange revenue comes from the sale of crude oil.

"Our industries are now suffering," President Shagari said, alluding to Nigeria's inability to import

spare parts for its industries and raw materials for industrial production.

The president said that during the more than six months of negotiations with the International Monetary Fund, Nigeria had been "cooperative all along." IMF terms for countries seeking assistance usually include an agreement to keep government deficits and borrowing within strict limits, to repay any arrears on foreign borrowing before taking on new financial obligations and to restrain the growth of the money supply.

All these things imply politically unpalatable actions such as reducing government spending, keeping a lid on wages in government, lowering government subsidies and permitting food and fertilizer prices to rise to reflect actual costs.

The Shagari government was unable to cut back on the country's massive imports — which exceeded the annual oil revenue of \$10 billion even as the oil income continued falling in the wake of the world oil glut. Only in the past few months has the monthly import bill come down to around \$700 million.

It is the third issue in the 2.03-billion DM calendar set by major underwriting banks last Friday.

James Flower, a bank analyst at Capel Cure-Myers.

Mercury Securities, the holding company for Warburg, apparently decided to snap up a scarce commodity before one of its rivals moved in.

Warburg was founded by Sir Siegmund Warburg, a refugee from Germany who arrived in London just before World War II and rapidly built up one of London's biggest and most-respected merchant banks. In recent years, the bank has shone as an issuer of international bonds and as an adviser on takeovers and mergers.

Mercury earlier this year disposed of its shareholding in a unit of Cie. Financière de Paribas, the French bank. But Paribas's international unit still owns 6.6 percent of Mercury, and the two have said they plan to continue cooperating in Europe.

In another move this year, Mercury sold its stake in A.G. Becker, a New York investment bank, and set up its own U.S. subsidiary.

Akroyd, which is 108 years old, also owns a small New York securities firm and has been striving to increase its business in international securities.

Jobbers are likely to remain in the spotlight in the months ahead. Expectations are growing in the City that the new competitive pressures will force the ending of the distinction between brokers and jobbers. Without the crutch of minimum commissions, brokers will be tempted to match buyers and sellers by themselves, avoiding the middleman. If the distinction breaks down, brokers probably will scramble for the dealing talent that is the jobbers' main asset.

Danish Industry Orders Rise

COPENHAGEN — Danish industrial orders, excluding shipyards, rose 11 percent in September as current prices from September 1982 after a 15 percent gain in August, the National Statistics Office said Monday.

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British Output Rose in Month

LONDON — British industrial production rose 0.1 percent in September from a year earlier, after a revised 0.2-percent drop in August, the Central Statistical Office said Monday. The September production index was provisionally set at 101.1, base 1981, to stand 1.6 percent higher than a year earlier.

Manufacturing output fell 0.4 percent in September to stand 0.1 percent above a year earlier. In August, output fell a revised 1.3 percent.

In the third quarter, industrial production was 1.9 percent higher and manufacturing output 1.3 percent higher than the second quarter, the office said. Energy production rose 3.3 percent in the three months to a record third-quarter level, boosted by the opening of three new fields in the North Sea.

How to divide the resources of the Barents Sea has been a long-standing issue between Norway and the Soviet Union. Soviet officials recently decided to reopen talks on the issue, and negotiations are to take place in the Soviet capital next month.

The decision to hold talks, coming after the Soviet Union demonstrated interest in the Norwegian development plan, was seen as an indication that Soviet officials may be more willing to consider a political solution in the dispute.

He said Soviet officials could find oil and gas in their part of the Barents Sea within five years.

The Soviet Union started drilling last year, although little is known about the results, he said. But the Russians needed Western technology for mapping and exploiting possible discoveries, and the Norwegian consortium wanted to be ready to make the right offers, he added.

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Nov. 14

Floating Rate Notes

Nov. 14

[illegible]**EATON**

(Successor to Eaton International Finance Corporation)

The conversion privilege expires at the close of business on December 28, 1983.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of May 1, 1972 (as amended) among Eaton International Finance Corporation ("Finance"), Eaton Corporation, Guarantor ("Eaton"), and Chemical Bank, Trustee (the "Trustee"), Eaton (as successor to Finance) has elected to redeem and on December 28, 1983 (the "Redemption Date") will redeem all the outstanding 5% Convertible Subordinated Guaranteed Debentures due May 1, 1987 (the "Debentures") at the redemption price (expressed as a percentage of principal amount) of 101.04%, together with accrued interest to the Redemption Date of \$32.92 per \$1,000 principal amount of Debentures for a total redemption price of \$1,043.32 per \$1,000 principal amount of Debentures (the "Redemption Price"). Payment of the Redemption Price will be made on or after December 28, 1983 upon presentation and surrender of the Debentures together with all coupons appertaining thereto maturing after the Redemption Date to the Trustee as follows:

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Chemical Bank
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Church Street Station
New York, New York 10008

or upon such presentation and surrender at the offices of Morgan Guaranty Trust Company of New York, Avenue des Arts, 35, 1040 Brussels, Belgium; Commerzbank Aktiengesellschaft, 4000 B Dusseldorf Beire Strasse 25, Dusseldorf, Germany; Commerzbank Aktiengesellschaft, 6000 Frankfurt/Main, Neue Mainzer Strasse 32-36, Frankfurt, Germany; Chemical Bank, 180 Strand, London WC2R 1ET England; J. Henry Schroder, Wagg & Co. Ltd., 120 Cheapside, London EC2V 6Egland; Kredietbank S.A. Luxembourggoise 43 Blvd, Royal, Luxembourg, Luxembourg; Banco di Roma, via del Corso 370, Rome, Italy; and Credit Lyonnais, 19, Boulevard des Italiens, 75-Paris 2eme, P. O. Box 29, Paris, France. On and after December 28, 1983 interest on the Debentures will cease to accrue and unmatured coupons shall become void.

The Debentures are convertible into Common Shares of Eaton at a price of \$36 $\frac{3}{4}$ per share.

DATE: November 7, 1983

EATON CORPORATION

A high-contrast, black and white photograph of an Air France aircraft on a tarmac. In the foreground, a person is seen from the side, looking towards the plane. The aircraft features the 'AIR FRANCE' logo and the slogan 'WE'RE AIMING'. The image has a grainy, high-contrast aesthetic.


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China Is Hoping to Tap World's Wine Markets

By Christopher S. Wren
New York Times Service

TIJIAN, China — Experts may view it as a naive Chinese muscatel, but Dynasty medium-dry white wine heralds China's emergence into the competitive world of budget-priced wines.

The wine was produced by a joint venture of the Chinese and Remy Martin Ltd. of France in the flat countryside about 10 miles (16 kilometers) north of this industrial city.

The 190,000 or so bottles produced this year have already sold out, with 90 percent of the batch exported to Southeast Asia, Australia, the United States and Western Europe.

Nearly 17,000 bottles were consigned last month to a wine importer in New York. And Guillaume d'Avon, the managing director of Remy Martin's operations in Asia, said last spring that Dynasty was being introduced this year to the discriminating French market.

The wine, which possesses a light body, delicate bouquet and fruity taste reminiscent of a Moselle of West Germany, is sold in China through hotels and stores that cater to foreign tourists. A bottle in Beijing costs a little more than \$4.

Remy Martin's participation was welcomed because the Chinese have virtually no tradition of grape wine. The wine celebrated in classical Chinese poetry is concocted of steeper stuff, such as sorghum or rice, and can pack a vodka-like wallop.

At meals, the Chinese generally prefer beer, which the Germans introduced here in the 19th century. The wine produced for domestic consumption tastes mostly like fruit syrup.

"Chinese people prefer a sweet wine — they don't care for a medium-dry wine that has no sugar in it," said Liu Baosheng, head of production at the Dynasty winery.

But the Chinese have detected a lucrative market for wine in the rest of the world. Dynasty made its respectable international debut at a wine exhibition in Bordeaux, France, in June 1981. In London last month, another wine — a dry white called Great Wall, from Shaoxing, 80 miles southwest of Beijing — won China's first silver medal at a wine competition.

Grapes have flourished in the fertile soil and hot, sunny summers of the Tianjin region, which lies at the same latitude as Spain or southern Italy. The first muscatel vines were introduced by Marshall Nie Rongchen, of the Chinese Army when he returned from a visit to Bulgaria in 1958.

Under an agreement reached in February 1980, Remy Martin supplied the equipment and skills for the winemaking venture outside Tianjin, while the Chinese provided an old commune and labor and, of course, the grapes. A total investment of more than \$2.4 million at current exchange rates was envisioned, with the French side assuming 38 percent.

A misunderstanding over quality occurred at the start of production in August 1980. Local peasants, figuring that a grape was a grape, complained when the French rejected half of what they delivered.

Mr. Liu, the head of production, agreed with the French. "The fundamental factor is the quality of the grapes," he said. "You can't make good wine without good grapes." He said the situation had improved since the farmers were taught about such requirements as high sugar content.

Now, he said, "We reject very few because we warn them about the standards we require for the purchase of grapes. Because the standards are set beforehand, they have nothing to say. They must take the grapes back."



Liu Baosheng, head of production at Dynasty winery.

The peasants responded after the winery began paying slightly higher prices for top-quality grapes. Mr. Liu said the 300 metric tons of grapes delivered this year were better than last year's offering. The winery buys its grapes from four communes outside Tianjin and Beijing.

The venture has also had to battle bureaucratic red tape in Tianjin. Xu Wenheng, the general manager, complained earlier this year that "three days or even a week can be wasted on shoving the paper around" to get a single export permit.

The winery, an assortment of drab brick and concrete sheds enlivened by a few elegant willow trees, has 24 employees, more than a comparable Western operation but fewer than the Chinese initially demanded. A French couple is in residence as foreign wine experts. Mr. Xu also helps with the vineyard.

Fermentation takes about 10 days in large vats made of Japanese stainless steel. The total process from vine to bottle takes 100 days, Mr. Liu said. No effort is made to label vintages. Those who prefer full-bodied wines may find Dynasty a bit thin, but Mr. Liu said the factory has sought to maintain an alcohol content of about 11 percent.

To keep workers employed in the slack winter months, the winery also makes five kinds of medicinal herbal wines, which are exported mostly to communities of overseas Chinese in Singapore or Malaysia.

The winery has imported prepackaged wine bottles, first from Australia and now from France, because local bottles are too flimsy to withstand travel and are too dirty. "The bottles in China are brought in in sacks and have to be cleaned and sterilized, so there is a lot of work to do," said Mr. Liu.

Westinghouse's Unit in Spain Finds It Hard to Cope With Madrid's Rules

By Nina Darnott
New York Times Service

MADRID — A decision by Westinghouse S.A., a subsidiary of Westinghouse Electric Corp., to stop spending while it reorganizes under the Spanish equivalent of bankruptcy law illustrates the difficulties that businesses can have operating under tight government controls in a depressed economy.

According to company and government sources, Westinghouse, Spain's largest maker of heavy electrical and transport equipment, has been hurt by the worldwide recession in the construction industry and a reduction in demand for this type of equipment, which plunged 40 percent in 1982 and 45 percent so far this year.

In addition, the company was damaged by the new government's austerity policies, which include drastic cuts in spending. The government, for example, has recently approved the cancellation of five nuclear-power plants whose electrical equipment was to have been provided by Westinghouse.

The austerity program, caused by Spain's growing economic crisis and its desire to streamline its industry to make it competitive for entry into the European Community, has also resulted in a reconsideration of expansion plans for the national railways. Westinghouse provides key machinery for the rail system.

Battered by these developments, Westinghouse might logically consider an austerity program of its own. But Spain has strict labor laws and restrictive firing policies inherited from the Franco era. The com-

pany could not easily have embarked on a program that might have included laying off workers.

Westinghouse employs 3,000 in six plants around the country. It puts its liabilities at \$32.7 million. Its decision to ask for a suspension of payments leaves 3,000 Spanish workers without pay at a time of increasing unemployment and high inflation.

The company's Spanish chairman, Santiago Fonellas, criticized the decision and resigned.

"This is the worst solution to the company's problems, and will do enormous damage to society," he said in a statement.

A spokesman for the parent company in Pittsburgh, which owns 95 percent of the subsidiary, denied that the company had entered into receivership. "We have filed for suspension of payments under Spanish law, which is not the same as a receivership," he said.

"To file for suspension of payments, the company's assets must exceed its liabilities," he continued. "This was the case here. The decision was taken to give an opportunity to reorganize and to take whatever steps are necessary to make the company viable. The object is to relieve the company of the pressure of its immediate financial debts so we can ultimately pay off all our debts."

The Westinghouse spokesman said that filing for a suspension of payments allowed the appointment of two managers, either from inside or outside the company, to get the company on its feet again. The managers have already been appointed, he said, and are both

Spanish executives from within the company.

In spite of its avowed intention to pay all its debts, the company was apparently worried about the reaction to its decision to suspend payments within Spain. The decision was kept secret from even the Spanish managers until Thursday, Oct. 27, the night before the official announcement was made.

Within 48 hours of the announcement, all the families and most of the top American managers of the company had left Spain.

The few American Westinghouse employees left in the country declined to comment on possible reasons for the hasty departure.

"As a result of the suspension of payments, a number of expatriates have been moved out of Spain," a spokesman at the parent company said. "This was a preliminary precaution because the company was uncertain of what the reaction to this would be. It was a precaution, not a reaction to any threats."

Members of the Spanish business community said the fast withdrawal of the American directors left the brunt of union and social discontent to fall on the Spanish management, one factor that might have influenced the decision of the chairman to resign. So far, however, there have been no strikes or other visible union protests.

The spokesman for the parent company said the American directors would not return to Spain. "Westinghouse has decided not to put more resources into the Spanish subsidiary to cover losses," he said. "This includes providing managers or money."

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Toyo Kogyo Considering Building a Plant in U.S.

The Associated Press

TOKYO — Toyo Kogyo, Japan's third largest automaker, said Monday that it is studying the possibility of building an auto plant in the United States because of U.S. restraints on imports of Japanese cars.

But Kenji Kiraoka, a spokesman for the company, which builds a Mazda, denied a report in the U.S. press that Toyo Kogyo had been looking at the supply of auto

parts, American workers' wages and weather conditions.

Sankei Shimbun, quoting unidentified Toyo Kogyo officials, said the company would not build a plant in the U.S. unless it could secure a joint venture with Ford, which owns a 25 percent stake in the Japanese company.

It said Toyo Kogyo was reluctant to hire workers who belong to

the United Auto Workers union.

Toyo Kogyo's decision was based on a belief that the U.S. restraints on Japanese auto sales will continue because of U.S. agricultural products, the newspaper said.

It added that the new plant would start by assembling 5,000 cars a month with parts supplied from Japan.

Problems at IBH and Wibau Will Reduce Babcock Assets

Reuters

LONDON — Babcock International said Monday that its net assets will be diminished by problems at IBH Holding and Wibau, although the extent of losses will not be known until more information is available.

It said the statement was made in connection with the appointment of a receiver to Wibau U.K. and news that IBH Holding and Wibau have sought court protection in

West Germany against their creditors.

Nothing is yet known of the extent of the damage suffered by the West German companies, nor about the form of their reconstruction or trading prospects.

Babcock said it has a 10.06 percent equity stake in IBH Holding, a construction-equipment group, carried in Babcock's books at original cost of £19.2 million (\$12.92 million).

RÉPUBLIQUE DE CÔTE D'IVOIRE

SOCIÉTÉ D'ÉQUIPEMENT
DES TERRAINS URBAINS
S. E. T. U.

Avis de présélection d'entreprises relatif à l'appel d'offres international pour l'entretien des réseaux d'assainissement et de drainage de la ville d'Abidjan.

La direction du drainage et de l'assainissement de la SETU lance un appel à la concurrence pour la présélection des entreprises qui seront admises à participer ultérieurement à l'appel d'offres restreint pour l'entretien des réseaux d'assainissement et de drainage de la ville d'Abidjan.

La concurrence est ouverte à toute personne physique ou morale ressortissant des états membres de la Banque Mondiale de la Suisse et de Taiwan.

Les dossiers de candidature à la présélection devront comprendre:

1. Une copie des documents légaux de constitution de l'entreprise;
2. Le capital de la société;
3. Les références détaillées de la société et de ses principaux responsables techniques;
4. Le montant du chiffre d'affaires de l'entreprise pendant ces cinq (5) dernières années (relatives à l'entretien des réseaux).

Les dossiers de candidature à la présente présélection établis conformément aux conditions de participation ci-dessus, rédigés en langue française et sous double enveloppe doivent parvenir au plus tard le 29 novembre 1983 à 10 heures date de fermeture.

À Monsieur le Directeur de la SETU/DDA
01 B.P. 4091 Abidjan 01
Télé: 25 71 SETU/DDA - CL

L'ouverture des plis aura lieu le 6 décembre 1983 à 15 h 30 mn en séance privée, dans la salle de conférence de la SETU, Boulevard Clozel, Abidjan.

Le Directeur Général
S. COULIBALY

ADVERTISEMENT INTERNATIONAL FUNDS November 14 1983

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose values are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the funds: (D) = daily; (W) = weekly; (M) = monthly; (Q) = quarterly; (Y) = yearly; (C) = irregularly.

ALM MANAGEMENT CO. S.A.		UNION BANK OF SWITZERLAND:	
(M) ALM Trust	\$F 134.59	(M) Amco U.S.B.	\$F 34.24
BANK JULIUS BAER & Co Ltd		(M) Bond-Invest	\$F 55.44
(M) Bond Index	\$F 112.00	(M) Bond-Invest	\$F 55.44
(M) Bond Index	\$F 112.00	(M) Bond-Invest	\$F 55.44
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ART BUCHWALD

The Bronx Cover-Up

NEW YORK — Well they've finally come up with a solution for the South Bronx. Rather than spend millions and millions of dollars to wipe out the urban decay, New York City will spend a federal grant of \$300,000 on vinyl fronts and cover up the shattered tenements and burned-out buildings along the expressways leading from Manhattan to Westchester and Connecticut.

The false fronts will show windows with curtains, shades and flowerpots, and nice varnished doors. According to city officials, the facades will definitely improve the look of the neighborhood.

The idea has already been dubbed by skeptics as "20th Century Bronx."

Anthony Gliedman, the commissioner of Housing and Development, denied he was doing it as a substitute for rehabilitating the blighted area. He was quoted in The New York Times as saying, "We want to brighten up the face of the neighborhood while waiting for new federal programs to rebuild the neighborhood. . . I recognize this is superficial. We don't want anyone to think we're doing this instead of rebuilding. But that will take years and millions of dollars. And while we're waiting we want people to know we care."

Not knowing what to make of the idea, I discussed the proposal with Humberto Cortez, a New York taxi driver, who was trying to take me cross-town on 37th Street the other day.

Cortez said he lived in the South Bronx, and while he thought it might improve the morale of people commuting from Westport and Greenwich every day, he didn't believe it would change the lives of those who lived in the area. "Every four years all the presidential candidates visit the South Bronx with television crews, and each one announces the first thing he will do if he is elected is rebuild the neighborhood. Then, if he gets in office, he gives the money to El Salvador."

"Do you have a better solution than covering up your blight with vinyl decals?" I asked him.

"Yup. After the next election we should invite Castro to build a 10,000-foot airplane runway in the South Bronx."

"Are you crazy?" I shouted in the middle of a Madison Avenue gridlock. "Castro would send in soldiers disguised as workers to end Marxist revolution. The South Bronx would become a danger pointed right at Scarsdale. We couldn't stand for that."

"That's the idea. No president could allow it. So he would send in the U.S. Marines and the 82d Airborne to stop the construction."

"But that could mean war."

"The South Bronx looks like a war zone now. How much more damage could the Marines do?"

"All right, so the United States invades the South Bronx. How does that help you?"

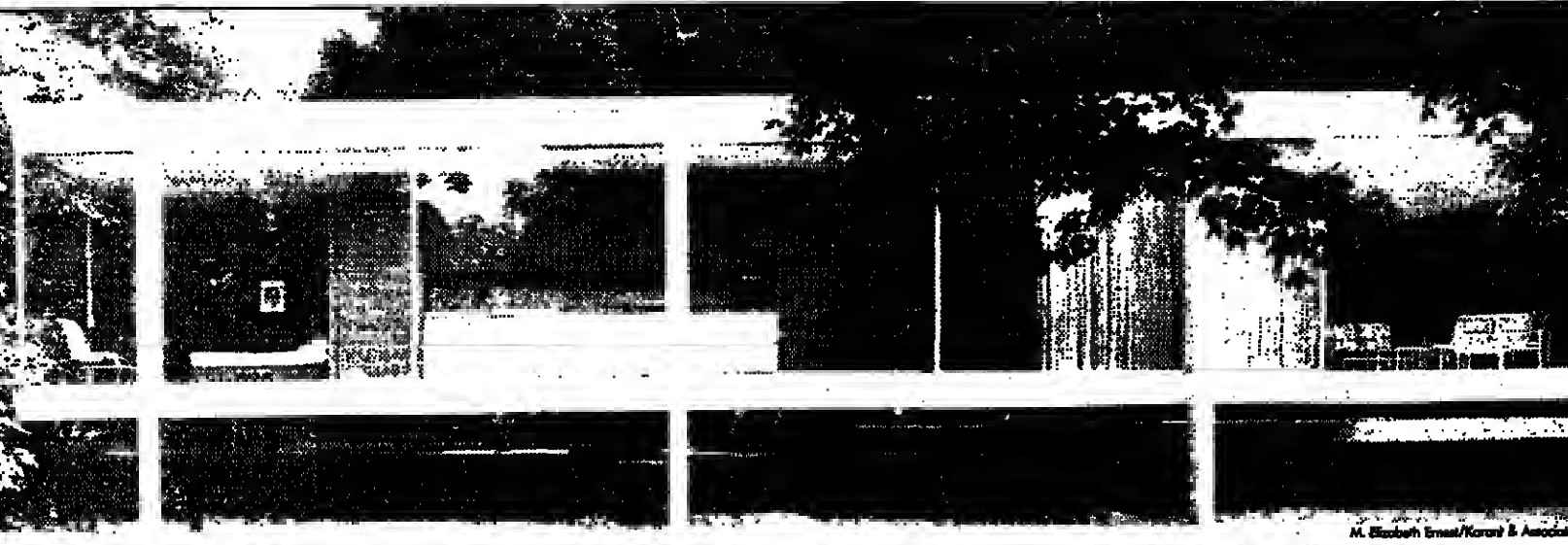
"After the fighting stops, the Americans will have to ship the Cuban workers back to Havana and then the Bronx will become a United States problem. The Americans will have to send in army engineers and AID officials to help us get on our feet. The president will go to Congress and ask for millions of dollars to keep the borough from falling into the communist camp. He could make the Bronx the showcase of the Western Hemisphere, and persuade everyone the United States will really help those who turn their backs on Castro."

We got into another gridlock on Fifth Avenue. "Mr. Cortez, you make a very good case, but it's hard to believe that any president would get excited about Castro's plans for the South Bronx. The U.S. government wrote off your borough long ago."

"They might ignore our borough politically, but they can't afford to overlook the 10,000-foot runway. You don't think we're going to build it to attract tourists to the South Bronx do you?"

"It's the wildest idea I've ever heard of," I said.

Mr. Cortez replied, "It isn't half as crazy as covering up a city's urban decay with a bunch of phony vinyl fronts."



The 1950 Farnsworth House, designed by Ludwig Mies van der Rohe, is now owned by the London developer, Peter Palumbo.

A Rare Look at Mies's 'Floating' House

By Paula Deitz

FOR Peter Palumbo, a 48-year-old London property developer, an important event in his education came one Sunday morning in 1952. His Eton housemaster gave a seminar on the architect Ludwig Mies van der Rohe, and the first photograph shown was of the newly completed Farnsworth House. Mies's "floating" glass-and-steel structure in Plano, Illinois, 55 miles southwest of Chicago.

"It was a great moment," Palumbo recalls more than 30 years later. "I was knocked out by that house."

That early commitment to the work of Mies van der Rohe has developed into a lifetime involvement. Today Palumbo is the owner of the Farnsworth House, and he plans to begin construction in 1986 of a controversial glass-and-bronze-sheathed 22-story office building in London that he commissioned Mies to design in 1962. The International-style house—considered one of the landmarks of 20th-century American domestic architecture—was built in 1950 for weekend use by the architect's close friend Dr. Edith Farnsworth. It was one of a series of buildings using industrial materials that Mies designed when he was the director of architectural studies at the Illinois Institute of Technology from 1938 to 1958. It is at the foot of a sloping meadow amid 60 acres of Illinois prairie on the banks of the meandering Fox River. The house is a glass pavilion 77 feet long and 29 wide. It is raised 5 feet above ground on eight evenly spaced structural steel columns, like classical colonnades, that allow the river's spring overflow to pass beneath the house. On these occasions the house looks like a houseboat, and the

low travertine-paved deck becomes a pier for canoes. Five steps above the deck is the open porch, whose stark white steel I-beams frame a monumental view of the hillside. From a distance at night, the steel structure appears to dematerialize; the house seems a cube of light suspended in air.

The surrounding trees, in particular an aging black sugar maple that determined Mies's siting, have become the real visual boundaries enclosing the transparent house. "On a windy night," Palumbo says, "I can hear the sounds of the branches caressing the glass."

The open-plan interior of the Farnsworth House is defined by a long off-center service core finished in primavara wood. A wide living room space on the fireplace side of the core opposes a long narrow built-in kitchen on the other side. The bathrooms are at either end of the core, and the main sleeping area faces east, to view the sunrise.

Mies, it is reported, was planning to design furniture for the house before his relationship with Farnsworth came to an acrimonious end with lawsuits over costs (\$75,000 for the house instead of \$65,000). Palumbo has furnished the house with Mies-designed furniture. A couch in brown leather dates from Palumbo's sojourn in a New York apartment; it is accompanied by several of Mies's modular steel and flat steel bar Tugendhat and Brno chairs and his glass-and-steel "X" coffee table. The ottomans are the leather and steel designs Mies originally created for the International Exposition of 1929 at Barcelona.

Palumbo, a keen gardener, rehabilitated the landscape with the advice of the late Lanning Roper, an American-born land-

scape architect. Over the years they planted 350 trees, including an orchard and a birch grove, giving the house a setting much like an English park.

Palumbo acquired the house after he came across a newspaper ad in Chicago in 1968. Farnsworth was offering her house for sale. He went to see her and made the deal. But acquiring the London properties for his redevelopment plan and building the Mies office building in the City, London's financial district, has been one of slow acquisitions and many setbacks.

The first step began in 1958. Palumbo, who had joined City Acire Property Investment Trust, owned by his father, after graduation from Oxford, bought a five-story Victorian office building near the Mansion House, the Lord Mayor's residence. In the last 25 years, he has spent many millions in acquiring other properties and leases in the area.

"At first our motive was for property investment," Palumbo said. "But by 1962 the plan emerged for a potential redevelopment with an important office building at its center."

Palumbo wrote Mies, who had never designed a structure in England, inviting him to design the office building. The architect called his assent, and even knowing that the building could not be started until 1986, when the remaining leases terminated, he produced the design. He signed a full set of working drawings two weeks before he died in August 1969. The 290-foot-high building was envisioned as an elegant bronze-clad shaft with bronze-tinted glass, a scaled-down version of the 1958 Sengram Building in New York, designed by Mies with Philip C. Johnson.

PEOPLE

Fire at Party Burns Down Soraya Khashoggi Home

The luxury home of Soraya Khashoggi, former wife of the multimillionaire arms dealer Adnan Khashoggi, caught fire during a party and burned to the ground, fire officials said. Mrs. Khashoggi and her guests escaped unharmed from the blaze Sunday, but the 10,000-sq-ft house in Headley, 50 miles (80 kilometers) southwest of London, was totally destroyed, officials said. It was not known how many guests were present. The cause of the fire was unknown, but firemen said it was believed to have started in the chimney.

Halfway through the biblical three score years and 10, Prince Charles celebrated his 35th birthday Monday to peans of praise from editorialists, a barrage of advice from medical men and the prediction he'll be a father the second time around in 1984. The Daily Mail columnist Nigel Dempster wrote that Charles and his wife, 20-year-old Diana, "are hoping for another baby in 1984 and news of her pregnancy is the birthday present that the princess has been hoping to give her husband." Friends expect them to have three children, fairly evenly spaced, Dempster reported. There was a flood of speculation last September that Diana was expecting the couple's second child, after newspaper reports that she slipped away from the royal family's holiday retreat at Balmoral Castle in Scotland for a secret visit to her gynecologist in London. Buckingham Palace has refused to confirm or deny the reports.

Hugh Hefner, 57, boss of the Playboy empire, has acknowledged a 26-year-old man as his son and considers it the "thrill of life," says a spokesman. For now the names of the man and his mother are not being released by Playboy, although Hefner has been imputing the man as his son; the spokesman said, Hefner's 29-year-old daughter, Christie, is president of Playboy Enterprises Inc. He has another son, David. Hefner is publisher of Playboy magazine.

It's becoming such a habit, maybe Downbeat magazine should retire the award. In the December issue, Oscar Peterson has for the 13th time been named the Best Jazz Pianist.

PLO Rebels Start Drive On Beirut At Tripoli

By Lt. Col. ...

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MOVING

ALLIED VAN LINES

INTERNATIONAL OVER 1100 AGENTS

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